

Editorial Policies

The purpose of publishing this Muratec Sustainability Report 2020 is reporting our social responsibilities at Muratec, as well as our performances through our CSR efforts to our stakeholders.

The information covers all our corporate business divisions. This report describes, in sections arranged by the type of stakeholder such as environment, our customers, our suppliers and vendors, our employees and local communities.

In editing this report, our objectives have been to achieve “concrete explanations that are easy to understand” and “page layouts that are easy to read”. Furthermore, we have established key performance indicators (KPIs) for our priority issues.

Boundaries / business divisions

Our company undertakes the development, manufacture and sales of textile machinery, logistics systems and factory automation systems, automated material handling systems (AMHS) for clean rooms, machine tools and communication equipment. This report covers our CSR efforts related to these business divisions.

Boundaries / organizations

We cover our main business places in Japan, as listed below. We have also included information about some of the activities of affiliated companies.

Muratec Machinery, Ltd.
[Head Office (Kyoto), Inuyama Plant, Ise Factory, Kaga Factory]

Muratec Mechatronics Co., Ltd.
[Shiga Factory, Oita Factory]

Time period

In principle, this report includes information corresponding to the period from April 2019 to March 2020. However, information about some activities that have continued from before this period has been reported. Activities that occurred closer to the date of publication have also been included.

Date published

October 2020: Made public on our corporate website
(July 2021: Next scheduled publication date)

Reference guidelines

GRI Guidelines

Contact for inquiries

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Murata Machinery, Ltd.

Sustainability Report 2020



Link to the Future

Continually Creating Innovative Technologies
for the Fulfillment of an Affluent Society.



Corporate Philosophy

We shall strive to expand the boundaries of technological advancement, provide meaningful products that enrich the lives of our customers, bring prosperity to each of our employees and lead society to a better tomorrow.

Muratec and its stakeholders

What makes Muratec's corporate activities possible is the relationship of trust between its various stakeholders— customers, suppliers and vendors, employees and their families, global environment, and local communities— as well as with society as a whole. In order to continue functioning as an entity trusted and needed by all our stakeholders, we will endeavor to justify their confidence in us, expectations and requests from society through our corporate activities.



Muratec Code of Conduct

Products and services

We will develop and offer products and services useful to society, with sufficient care to safety and the protection of personal information.

Business transactions

We will respect the rights of our company as well as that of other companies including intellectual property rights, and engage in fair, transparent, and free competition and due transactions. Moreover, we will maintain sound and normal relations with political bodies and governmental organizations.

Information disclosure

We will engage in broad communication with society and disclose our corporate information in a timely and appropriate manner.

Personnel, labor management and workplace environment

We will respect our employees' diversity, character, and individuality and secure a safe and employee friendly workplace environment.

Environmental issues

We will actively engage in environmental issues in our corporate activities as well as through our products and services.

Social contribution activities

We will actively engage in social contribution activities as a "good corporate citizen."

No connections to anti-social elements

We will not engage in activities that benefit anti-social groups and organization that may threaten the order and safety of civil society.

Corporate Profile

Company name | Murata Machinery, Ltd.

Products | Manufacture and sales of textile machinery / logistics systems and factory automation systems / Automated Material Handling System (AMHS) for clean rooms / machine tools / communication equipment

Representative | President & C.E.O Daisuke Murata

Number of employees | [consolidated] 7,700

[non-consolidated] 3,600 (as of April 2020)

Established | July 1935

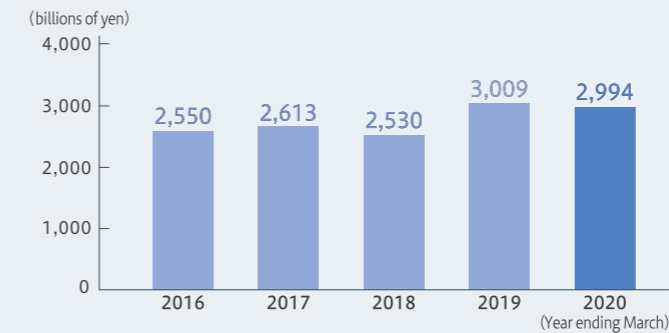
Net sales | [consolidated] JPY 299 billion

[non-consolidated] JPY 221 billion (year ending March 2020)

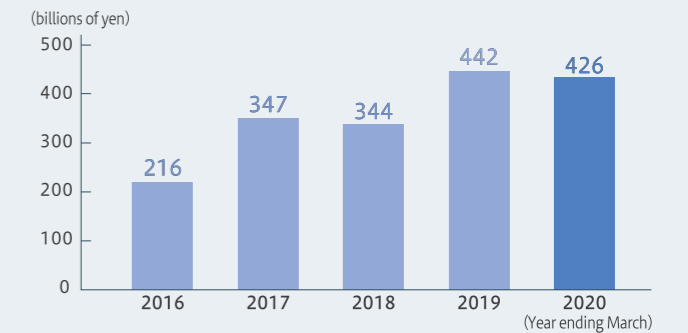
Capital | JPY 900 million Head Office | 136 Takeda Mukaishiro-cho, Fushimi-ku, Kyoto 612-8686 Japan

Financial Results

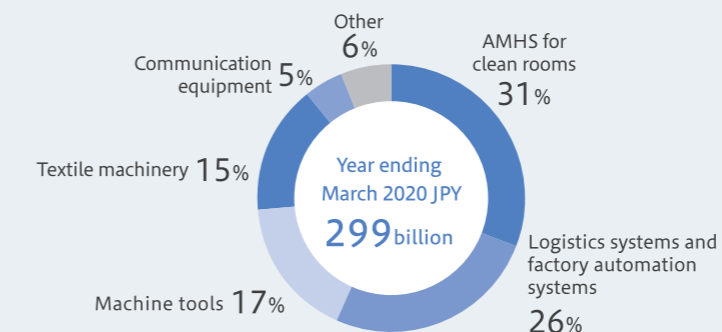
Net sales record (Consolidated)



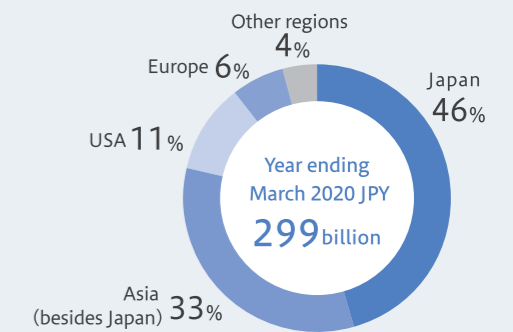
Operating profit record (Consolidated)



Net sales composition by business division (Consolidated)



Net sales composition by region (Consolidated)



Global Network

We want to improve the lives of people around the world through the creation of products. At Muratec, we seek opportunities to do this and expand our business across the globe.





Top Commitment

Responding to Changing Needs for the Creation of a Prosperous Society

Our Corporate Philosophy

Muratec is a machine manufacturer that helps its customers create value through its diverse products ranging from industrial machinery to information equipment. We have provided people-friendly technologies in pursuit of the ideal of “letting machines do what machines can do, so that humans can do what only humans can do.” Our corporate social responsibility is to ensure prosperity for our customers as well as the society they live in. We fulfill this responsibility through steady efforts to address challenges facing our customers at their respective workplaces and through unwavering dedication to developing new technologies.

Overall Economic Conditions and Progress of Our Businesses

Last fiscal year, the economic environment surrounding our company was marked by a slowdown in the Chinese market and the automobile industry triggered by the U.S.-China trade frictions and environmental problems that had emerged in the first half of the year. The situation was aggravated by the outbreak of COVID-19 at the end of last fiscal year, which led to the rapid deterioration of the economic conditions both at home and abroad. At Muratec, as a result of sluggish business experienced by the textile machinery and machine tool divisions, in particular, overall revenues and profits suffered a decline compared to the preceding fiscal year.

Meanwhile, demand for semiconductors remained brisk. The need for logistics automation also stayed robust due to labor shortage. As a result, our automated semiconductor transportation equipment and logistics systems enjoyed strong performance. Focus on prevention infection has led to a growing demand for automation/labor-saving and remote operation, giving a big boost to our automation and information security device businesses.

Three-year Plan

Due to the coronavirus pandemic, consumer spending and economic activities have declined all over the world. It is extremely difficult to accurately predict the future impact of such global decline at the moment when infections are still spreading. Our top priority is ensuring the health and safety of our employees and cooperating in the society’s fight against this infectious disease. While minimizing the risk of infection, we will keep our cooperate activities intact, so that we can always serve our customers most effectively. Through these efforts, we will brace ourselves for an uncertain business environment.

Against that background, Muratec is entering the second year of its current Three-year Plan. We are introducing new

systems and institutions on three themes—“links between people,” “links between products,” and “links with the world.” While there may be some minor changes in terms of resources we can invest, speed, priorities, etc. depending on the impact of the coronavirus, we are set to steadily advance the plan. With fewer opportunities for people to actually move around and exchange thoughts and information face-to-face, it is becoming increasingly important to have platforms that connect people in distant places and enable them to utilize shared information. The coronavirus has had the effect of instantaneously advancing the deregulations and work-style reforms that had long been hampered by many wrong assumptions. Now the environment is in the making in which all employees develop a sense of ownership toward the process of creating a setup for strengthening “links,” thereby raising our entire business operation to a higher level.

Toward a New Normal

The world is experiencing an unusual situation now. This situation will not only change how we work and how we operate our companies but will also affect the products and services we should provide to our customers. This is evident, for example, in the rising demand for the automation and remote working solutions discussed above. We will also be expected to consider environment and resources from a broader perspective, provide easy-to-use operations accessible to diverse people, and ensure more safety. In fact, these needs have existed for some time and solutions to them have been developed rapidly in recent years thanks to the advancement of information technology. The coronavirus has only accelerated that trend.

Muratec is unique in that it operates five different businesses and have diverse people and technologies. The aim of the three kinds of links that we pursue in our Three-year Plan is to make the best of these characteristics of Muratec. This Sustainability Report is yet another means of encouraging all employees to have shared understanding about Muratec’s social responsibility. Using the synergetic effects enhanced by such common understanding, we will respond to the social needs amplified by the pandemic, thereby fulfilling our mission of living up to our customers’ expectations. By making proposals characteristic of Muratec, we are hoping to work with our customers to find solutions to the old and new challenges posed by the “new normal.”

Daisuke Murata
President & C.E.O.

To Continue Functioning as an Entity Useful to Society

Muratec is a machine manufacturer that helps its customers create value through its diverse products ranging from industrial machinery to information equipment. We have provided people-friendly technologies in pursuit of the ideal of "letting machines do what machines can do, so that humans can do what only humans can do." Our corporate social responsibility is to ensure prosperity for our customers as well as the society they live in. We fulfill this responsibility through steady efforts to address challenges facing our customers at their respective workplaces and through unwavering dedication to developing new technologies.

Changing environment

Change of competitive environment

Structural change of the manufacturing industry

Social issues such as declining birthrates, energy resources, and environmental problems

Muratec Business Areas



Health & Safety, Environment, Labor practices, Quality

Diversity & Inclusion, Supply chain management

Corporate governance, Cooperation with partners

Clean energy

Innovation

Energy saving & Labor saving

Improvement of labor productivity

Quality improvement

Providing Values to Society

Contribution to an affluent society

Value creation

Social coexistence



Providing Values to Society Through Business Activities

In recent years, we witness the worsening of global-level social issues. To resolve these issues, it is increasingly important for us to work together with all the partners of Muratec and its businesses.

In this context, we support and pursue the SDGs (Sustainable Development Goals) adopted by the United Nations in 2015 as the major objectives that will lead the world. We hereby declare that, through our business activities, we will seek to increase our corporate economic values on the one hand and address various social issues on the other, thereby enhancing our commitment to the creation of a sustainable society.



What is SDGs?

The 2030 Agenda for Sustainable Development was adopted at a UN Summit in September 2015. By 2030, the Agenda aims to eliminate extreme poverty, inequality and injustice to create a better future and protect the earth. The Agenda contains "Sustainable Development Goals (SDGs)." Muratec fully supports what SDGs seek to achieve.

Machine Tools



Twin Spindle CNC Chucker & CNC Turning Center



Advanced Hybrid Laser



Press Brake

Logistics & Automation



Automatic Storage & Retrieval Systems



Shuttle Systems



Automated Guided Vehicles (AGV)

Clean FA



OHT (Overhead Hoist Transport) for Semiconductor Fab.



AMHS for Semiconductor Fab.



OHT & FOUP Stocker for Semiconductor Fab.

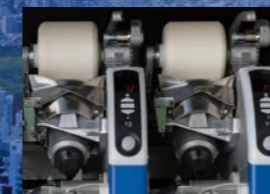
Textile Machinery



VORTEX Spinning Machine



Automatic Winder



Flexible Winder

Communication Equipment



Network Storage with built-in UTM



MFP



Thermal Facsimile

Muratec is a comprehensive manufacturer of factory and office automation products. We seek to satisfy our customers and promote the realization of a more affluent society by constantly creating new technologies and providing products and services.

Textile Machinery

The textile machinery business, which is the root of Muratec, has provided and supported a wide range of production systems to sustain the spinning industry, which meets diverse needs of its customers. We have developed the technology to form yarns with air pressure that has spread throughout the world and has greatly expanded the possibilities for textile products. Our products are used in a wide variety of fields from fashion and interior design to industrial materials, which are related to everything from yarn to fabric.

As one of the world's leading manufacturers of textile machinery, we support the textile industry in a wide range of areas from spinning machinery to the optimization of factory operations.

Machine Tools

Consumer durables such as automobiles and home appliances, and production goods such as industrial and construction machinery are all manufactured with machine tools. Muratec has provided production systems best-suited to consumer needs by combining a wide variety of peripheral equipment on the basis of high-rigidity and high-precision machines. Along with this, we have established a record of achievement and experience around the world, especially in the automotive parts industry.

We will continue to promote multi-functionality by improving machine performance and utilizing our resources and provide new production systems and machining applications.

Logistics & Automation

Logistics is an essential element of corporate strategy in manufacturing and distribution industries around the world, contributing to the optimization of the flow of goods and information. Muratec has been proposing total solutions for logistics systems and factory automation through engineering technologies that combine automated transportation systems and automatic storage. By providing efficient and human-friendly logistics and factory automation systems, we respond to the increasing needs for automation and labor saving and improvement of the working environment to support our comfortable lives.

Clean FA

Semiconductors are used in almost all electronic devices and have become an indispensable part of modern society. Clean rooms are the sites of semiconductor manufacturing, where technology is required to accurately and speedily transport items without dust. Muratec has been providing clean transport systems that prevent dust and achieve absolute reliability in the highly automated production process. Our automation technology supports the efficiency and low-carbonization associated with semiconductor technology innovation.

Communication Equipment

Muratec has played an integral role in office communication with MFPs and unique network products as a pioneer in Japan's facsimile machine market. With the increasing reliance on network technology, our information and communication solutions are spreading from the office to a variety of industries. We will continue to contribute to the advanced information society by providing diverse, speedy and secure communication solutions based on the development of conventional MFPs.

Wide Range of Automation "Products" Change the "World", Lead to Meeting New "People"

Three-year Plan April 2019-March 2022

We are in the midst of radical changes of the business environment in a broad sense, including changes of the competitive environment in the global market and changes of the manufacturing industry due to the rapid development of information technology.

The current Three-Year Plan was launched in the fiscal year ending March 2020 to prepare for possible threats in light of these major changes in global society. In order to see change as an opportunity, we put an interpretation of our corporate message into the plan from the perspectives of "people", "products", and the "world". We see three links as our theme: "links between people" to improve the quality of relationships between people in our organization; "links between products" to increase the breadth and depth of our technologies by leveraging our strengths as a company engaged in diverse businesses along a long value chain; and "links with the world" to ensure that we continue to be needed and empathize with people around the world.

We believe that all of these links support and improve each other like a triangle. In order to reinforce these links, we will develop an information platform and promote digital transformation (DX) in a broad sense as "Visibility". At the same time, we will strive to cultivate a healthy corporate culture which improves communication through "Openness" at work.

Muratec's Vision

Our aim of "Link to the Future" means valuing the diverse people, technologies and businesses that exist today as a result of our past, making the most of them, and finding future directions through synergy. It is not easy to link different things together and create something new through cooperation.

As a basis for this aim, we need a common platform and corporate culture, as shown in the Three-Year Plan on the left. We recognize that this is an ambitious challenge. However, the results will be significant when we are able to achieve them. In the midst of the accelerating disconnection caused by COVID-19, we believe that the importance of the "link" will increase for society as a whole.

Links between Products

Let's Increase the Breadth of Our "Technology"

**Product Data Management,
PLM(Product Lifecycle Management)**

Centralized management of product information through a unified platform will not only create synergies between diverse businesses and products, but will also give us more time and psychological freedom to focus on the creative activities of design, increase the breadth and depth of our technologies, and make us more broad-minded. Our goal is to build a system that reduces man-hours required for product information management, while at the same time encouraging the active use of product information and establishing a foothold in new technologies.

Links with the World

Let's Improve Corporate Value

**Accounting and Personnel System,
Corporate Governance**

As our global society changes, we will strive to improve corporate value from the perspective of non-financial information, such as environmental, social and governance (ESG) and environmental, health and safety (EHS) information, in addition to productivity and business performance. To this end, the Muratec Group must be open and connected, both in Japan and abroad. We will promote global consolidated management, improve accounting and personnel systems, and establish corporate governance for the entire Group.

Visibility

-Platform- Digital Links

Information Sharing and Utilization for One Muratec

Openness

-Corporate Culture- Analog Links

Attracting and Developing a Highly Motivated Workforce

Links between People

Let's Improve the "Quality of Relationships"

D&I(Diversity & Inclusion), World Café, Personnel System

Improving the quality of relationships in the workplace and throughout the Group will promote productivity and creativity in the workplace. We will create opportunities for mutual understanding and support by promoting D&I projects and the World Cafe in order to improve Group-wide "Openness". We will also improve "Visibility" by understanding our global human resources.

Link to the Future

Environmental Activities

We will contribute to realizing a sustainable society by innovating to create products that are better for the environment and by reducing the environmental impact of our business activities.



● Target toward 2030

What is necessary for us to continue to provide value in our products and services without change. This means maintaining our supply chain, which is the foundation of the process by which that value is created, without cutting the links between them. If we take a broader view of our business development, our global supply chain, and the society that surrounds it, maintaining that link is the pursuit of sustainability, and is not a theme that is limited to a particular country or region. We believe that the society we are working to create, while envisioning the "ideal future" through initiatives that link the present with the future, needs to evoke empathy among people around the world.

With this in mind, we are very conscious of the Paris Agreement on climate change, an international framework, and we endorse the SDGs, which set out a vision of what we want to achieve in the global community by 2030, and how to achieve it. The next targets after the 2020 targets will maintain the four themes of reducing carbon dioxide (CO₂) emissions, which is the targets of the environmental management system activities, water, waste, and chemical substances (VOCs).

Firstly, we have set a mid-term goal of reducing CO₂ emissions until 2030, ten years from now, aiming for an 18% reduction in total CO₂ emissions by then. The long-term goal is to achieve a 49% reduction in total CO₂ emissions by 2050. In calculating these targets, we analyze and consider our past emissions, and set them with Science Based Targets (SBTs)^{*1} in mind. Achieving these targets will not be possible through "energy-saving" activities alone, such as renewing facilities and

eliminating energy waste in operations, which have been done in the past. For this reason, we will actively consider purchasing renewable energy and "energy-creating" activities to generate our own energy in the future. For this reason, we will actively consider purchasing renewable energy and "energy-creating" activities to generate our own energy in the future. We have also attempted to calculate Scope 3, which is the amount of carbon dioxide (CO₂) emissions in our supply chain, in the process of setting our 2030 targets.

Other themes of our initiatives include the continuous reduction and monitoring of water use at our sites to ensure sustainable use of water resources. Waste emissions have been managed on a per-unit basis, but the target itself will be switched to controlling total emissions, with the aim of reducing the impact on venous logistics. To manage the risk of chemical substances, we will focus our activities on a process review and switching to alternatives with less impact.

At the same time, we aim to substantially expand the extent of environmental management and governance and include the Kaga Factory and the Shiga Factory and Oita Factory of Muratec Mechatronics Co., Ltd. in addition to the Head Office, Inuyama Plant and Ise Factory.

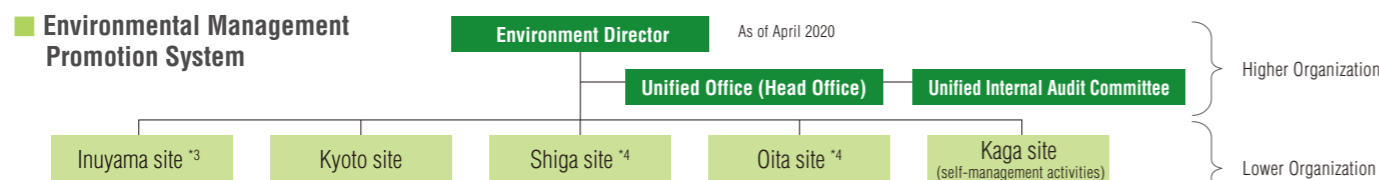
^{*1} Science Based Targets (SBT): Greenhouse gas emission reduction targets set by companies on an individual basis over 5 to 15 years, in line with the levels required by the Paris Agreement (which aims to limit global temperature rise to well below 2°C above pre-industrial levels, and ideally to 1.5°C).

NEW

Mid-term Targets toward 2030 (data comparison to year ending March 2018)

Objectives (Themes)	Preventing global warming	Sustainable use of water resources	Contributing to a recycling-oriented society	Management of chemical risks at workplaces (Inuyama Plant, Kaga Factory, and Muratec Mechatronics Co., Ltd. Shiga Factory)
Key performance indicators	Reduction of CO ₂ emissions	Reduction of water usage	Reduction of waste generated	Reduction of VOC emissions into the environment
Mid-term targets toward 2030 (data comparison to year ending March 2018)	18% reduction	3% reduction	5% reduction	3% reduction
Unit of target	Total amount	Per unit production ^{*2}	Total amount	Per unit production ^{*2}

^{*2} The "per-unit" is an expression of the environmental impacts caused per unit of production value or employee activity.



^{*3} Ise Factory is included in Inuyama site. ^{*4} Shiga site and Oita site is for Shiga and Oita factories of Muratec Mechatronics Co., Ltd.

● 2020 Targets Review and Results

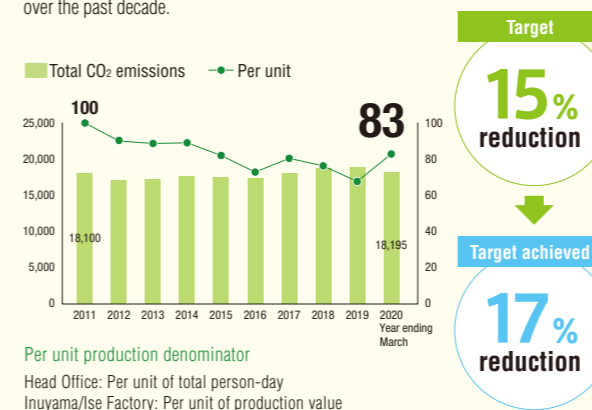
Muratec has been continuously working to reduce the environmental impact of its business activities under its Mid-term Targets 2020, which are activity targets based on its environmental philosophy and policy. As we approach the target year of 2020,

we will look back at the results of our environmental activities and the degree to which we have achieved these goals as the end of our 10-year activity scheme.

17% reduction of CO₂ emissions per unit production

(data comparison to year ending March 2011)

The total volume of CO₂ emissions from the use of electricity and fuel energy over the past 10 years has remained largely unchanged. The breakdown of these emissions is almost entirely due to the use of electricity, which we believe is the result of our continuous energy-saving activities under the operation of our environmental management system. We believe that the fact that we were able to achieve a 17% reduction in the index per unit production, despite the upward trend in the amount of production, which is an indicator of our operations during this period, is due to the improvement of our energy-saving capacity per unit of activity. The efficiency of energy use per value added we provide has increased over the past decade.

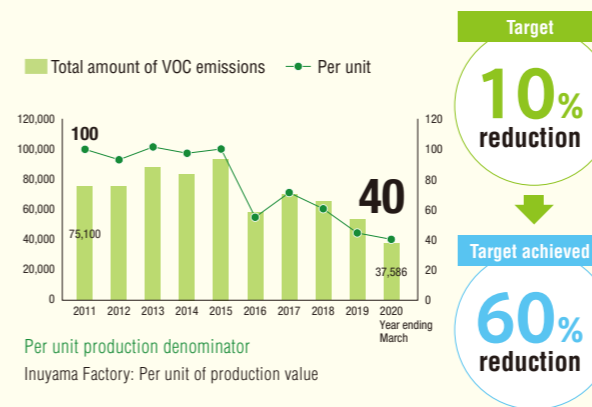


Per unit production denominator
Head Office: Per unit of total person-day
Inuyama/Ise Factory: Per unit of production value

60% reduction of VOC emissions per unit production

(data comparison to year ending March 2011)

The painting line at the Inuyama Plant controls chemical substances such as organic solvents derived from paint. As a measure to reduce VOC emissions, which are subject to the Pollutant Release and Transfer Register (PRTR) system, we have been switching to products with low PRTR substance content, introduced an electrostatic coating machine, replaced the paint supply pump, and reduced the number of color changes through the use of dedicated colors. The results of these initiatives have been reflected in figures since the fiscal year ending March 2016, and the reduction trend was maintained until last fiscal year. As a result, we were able to achieve a 60% reduction per unit of production, significantly improving the efficiency of the amount used, and reducing VOC emissions at the same time.

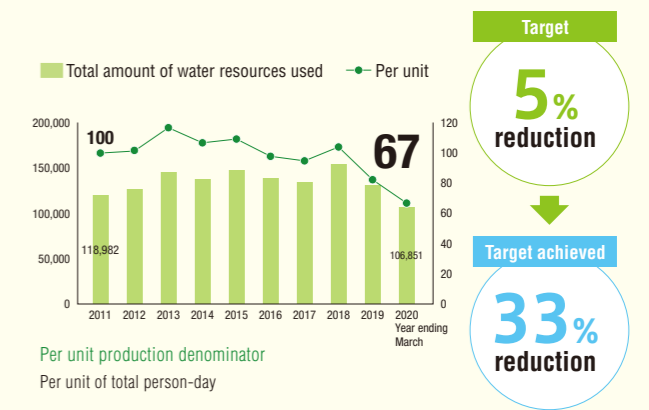


Per unit production denominator
Inuyama Factory: Per unit of production value

33% reduction of water usage per unit production

(data comparison to year ending March 2011)

Water usage has been primarily driven by water saving activities at our workplaces and rapid measures to deal with leaks caused by aging or damaged water pipes. Up to the fiscal year ending March 2018, water usage was on a downward trend on a per unit basis, but in terms of total water usage, it continued to increase slightly. However, after the relocation of the Ise Factory in the fiscal year ending March 2019, we were able to achieve a 33% reduction in the index on a per-unit basis, due to a reduction in water usage at the Ise Factory.

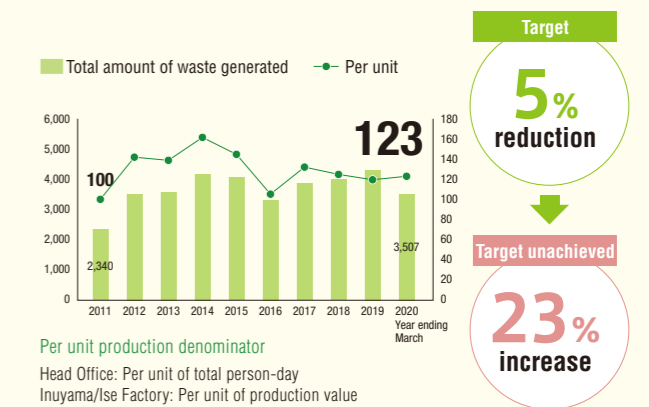


Per unit production denominator
Per unit of total person-day

23% increase of VOC emissions per unit production

(data comparison to year ending March 2011)

After the fiscal year ending March 2011, which is used as the benchmark year for waste generation, the total volume of waste generation increased at the Inuyama Plant and Ise Factory as they upgraded their production facilities. After the decrease in the fiscal year ending March 2016, we again increased our production activities, and the amount of waste generated continued to increase until the fiscal year ending March 2019. Over the past decade, the ratio of waste generated per value of production has been improving. On the other hand, taking the recent microplastic problem in the marine environment as an example, we recognize that the amount of waste generate itself must be actively controlled in order to create a sustainable society.



Per unit production denominator
Head Office: Per unit of total person-day
Inuyama/Ise Factory: Per unit of production value

Working with Suppliers

Through fair and impartial purchasing activities and the development of global supply chains that can flexibly respond to changes in the environment, we strive with our suppliers and vendors to provide the world with valuable products and services.



● Promoting Sustainability in the Supply Chains

Compliance with the Responsible Business Alliance (RBA) Code of Conduct

To ensure a safe working environment, respect the dignity of workers and treat them with respect, and conduct our business ethically with environmental responsibility, we support the Responsible Business Alliance (RBA) Code of Conduct* and actively promote compliance with the Code and its standards.

In promoting this initiative, we are working with all of our suppliers to improve the sustainability of our supply chain.

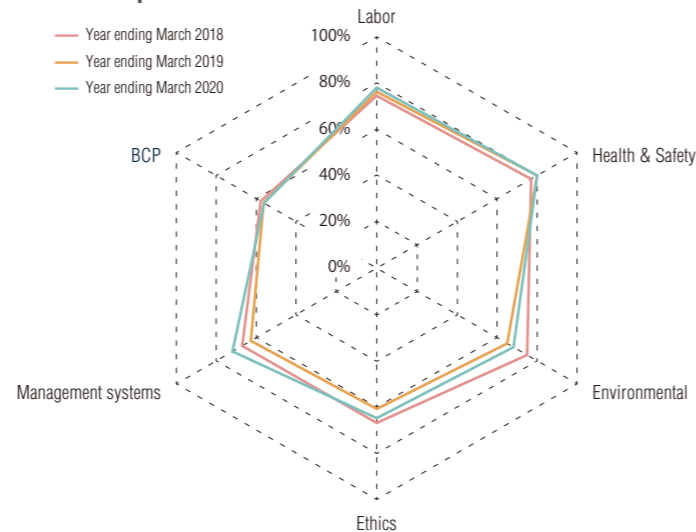
*The Responsible Business Alliance (RBA) is a non-profit organization that supports the rights and well-being of workers and communities in the global supply chain. The RBA has established a common code of conduct in the areas of labor, environment, health & safety, and ethics with the goal of improving risk management and sustainability in the corporate supply chain.

Supplier questionnaire conducted for suppliers

Every year we ask our major suppliers to comply with the RBA Code of Conduct, and we also conduct a survey to understand their efforts to meet the main RBA requirements and their level of risk management in their business continuity plans (BCP). As of last year, the number of suppliers who responded to the survey has increased each year. The level of understanding and commitment to each of the main sections remained at the same level as the previous year, or even increased in each sections.

Going forward, we will continue to improve awareness of the RBA Code of Conduct in order to foster a shared sense of values and promote understanding. We will also continue to provide our suppliers with information that will help them learn and provide opportunities to deepen their understanding of the behaviors and conditions expected of them throughout the supply chain, including our own.

■ Percentage of suppliers with a commitment level of 70 points or more



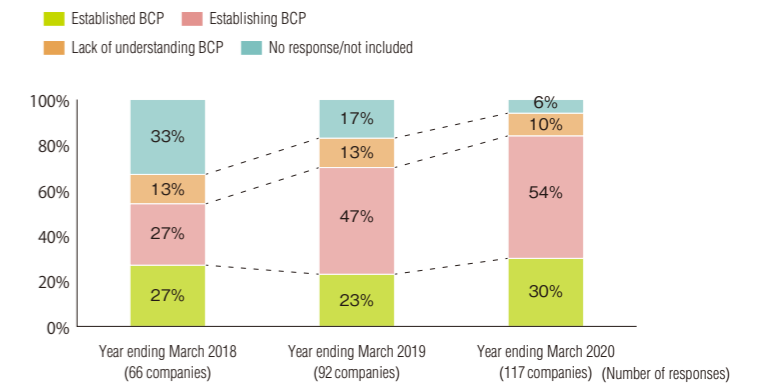
■ Results of the supplier questionnaire

Major items	Year ending March 2018	Year ending March 2019	Year ending March 2020	
Number of responses	66 companies	92 companies	117 companies	
RBA Code of Conduct comprehension (average)	61 points	63 points	65 points	
Percentage of suppliers with a commitment level of 70 points or more	Labor	75%	77%	79%
	Health & Safety	77%	80%	80%
	Environmental	75%	65%	68%
	Ethics	67%	61%	65%
	Management systems	67%	63%	72%
BCP	58%	56%	56%	

Exchange of BCP Opinions Through Individual Visits to Suppliers

Last year, we visited 10 suppliers surveyed to exchange opinions on the level of their BCP establishment through individual visits. Subsequent survey results showed an increase in the number of suppliers who responded that they had already established BCP or were in the process of establishing BCP. We will continue to put importance on opportunities for communication with suppliers and aim to improve the level of BCP establishment across the entire supply chain.

■ Supplier questionnaire (level of BCP establishment)



RBA Code of Conduct Seminar Held for Suppliers

Since 2016, we have held the RBA Code of Conduct Seminar every year as an opportunity to ask our suppliers to comply with the RBA Code of Conduct, or to deepen our mutual understanding and trust in each other's positions with our suppliers through interactive communication.

Last year, we had 38 suppliers visit us. Our materials manager served as a lecturer and introduced examples of our health and safety activities in line with the RBA Code of Conduct, as well as examples of initiatives related to respect for human rights, ethics, and consideration for technical intern trainees in terms of their work and living environment.



RBA Code of Conduct seminar for suppliers (Inuyama)

RBA Code of Conduct Seminar Held for Contractors

We have held a series of discussions with contractors, called RBA seminars since fiscal 2016, for the purpose of truly deepening their understanding of the RBA Code of Conduct for the contractors working on our premises.

Last year, under the theme of "Health and Safety," the seminar focused on health and safety activities, particularly at manufacturing sites, and was attended by a total of 58 contractors. In groups of four to five people, we discussed what each individual can do to create a safe, secure and healthy work environment, and the participants exchanged ideas and learned a lot from their discussions.



RBA Code of Conduct seminar for contractors (Inuyama)

Strengthening Diversity in the Supply Chain

We are working to create opportunities to do business with companies owned by women, sexual minorities, people with disabilities, and others in support of the idea that increasing the diversity of companies in the supply chain will lead to different and new values, perspectives, and possibilities.

As this idea of "supplier diversity" spreads through the supply chain, we hope that the result will be to inspire innovation and healthy competition for development, and the value they bring to the supply chain as a whole to improve its sustainability.



RBA Code of Conduct seminar for contractors (Ise)

Caring for Our People

Muratec recognizes that employees are the most important of all company resources. As such, we believe it essential to provide our employees with opportunities and an environment that helps them achieve the best possible performance. With this in mind, the company is focusing on the following four areas. By making continuous improvements within each area, we aim to create a working environment in which every employee can work with a real sense of fulfillment.



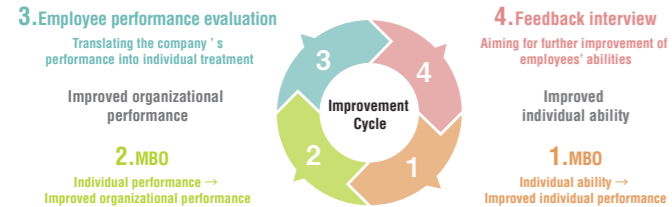
● Career Growth and Development

Management by Objectives (MBO) to translate individual employee growth into organizational growth

Muratec uses a "Management by Objectives (MBO)" system with the aim of ensuring growth of both employees and the company. Individual goals are linked to management goals and supervisor goals, and the achievement of individual goals will lead to the achievement of both goals. Supervisors conduct feedback interviews with each employee as an opportunity to review his or her performance evaluation results. Last fiscal year, the feedback interview was conducted with 96% of all employees. During the interview, supervisors provide their subordinates with feedback about what was performed well and/or what could have been performed better. For their part, employees have a chance to inform their supervisors about problems they have encountered and make requests accordingly. In this way, the process of the feedback interview motivates both supervisors and employees to work together for further growth.

Overview of Muratec's Personnel System

- Turning the improvement cycle to become a company constantly generating high profits -



Developing human resources that support Muratec's growth

To maximize the value of our human resources, Muratec has put in place various training and educational programs.

With the goal of cultivating personnel who can work actively on a global stage, we have continuously conducted a Short-term Overseas Training Program since fiscal 2012. Targeted at mid-career employees who play central roles in the company, participants in this training program stay in the U.S. for 3 or 5 months and work at Muratec's group company there. The program aims to develop not only language skills but encourages participants to work in harmony with local staff and understand each other better. Through such opportunities, the training seeks to develop human resources who can really work on the global scale.



English class taught by an instructor in the host country

Supporting Work-life Balance

Muratec has an organizational climate and systems that enable employees, regardless of gender, to achieve a better work-life balance and make the fullest use of their abilities at every life stage. Specific systems for supporting childcare and nursing care include reduced/staggered working hours and interviews with supervisors before and after leave. In addition, last year, we started a program to support employees to balance work and medical treatment. By providing support for employees with illnesses to continue working without anxiety, we are helping employees with a desire to work.

● Promoting Work-Life Balance

Working-hours Management

Muratec's workforce and management are working together to reduce excessively long working hours and ensure that employees can work in good health and with a sense of security. We use a daily work management system to manage daily working hours, and to more objectively monitor working hours, we have linked this system to an entrance and exit control system that records the time of entry and exit from workplaces and offices. Some offices have begun to use the access control system to confirm the safety of employees not only those belonging to the office, but also those visiting from other offices, in the event of an emergency. In last January, we introduced a telework system. By allowing employees to proactively choose where to work, we aim to improve their work-life balance and time management skills. We also believe that by decentralizing our workplaces, we will be able to respond flexibly to the continuation of operations in the event of a disaster.

● Promoting Diversity and Inclusion (D&I)

D&I Promotion Project

Since fiscal 2007, Muratec has conducted diversity promotion activities with the emphasis on supporting female employees' career development. Since fiscal 2017, based on the results and challenges of said activities, we have driven a D&I Promotion Project to develop an organizational climate that welcomes diversity and inclusion. Last fiscal year, the third phase of the promotion project, the Inuyama Plant was the main site of the project. Its members were mainly composed of managers of the business units, and they learned about the basic concept of D&I as well as the skills of subordinate training and facilitation necessary to promote diversity in their own lives. In addition, each business unit has created a three-year D&I plan and is taking steps to create an organization in which diverse personnel can enjoy working.



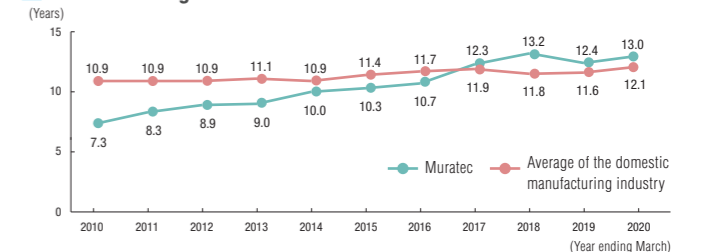
D&I debriefing session

Promoting Career Development of Female Employees

The length of service of our female employees has remained above the average length of service of women in the domestic manufacturing industry since 2016. We believe this is due to our recent focus on improving systems to support the balance between child-rearing and work, as well as changes in attitudes toward female employees, supervisors and colleagues in the workplace. In fact, there are many female employees who continue to work after giving birth, and their presence is helping to encourage younger women to develop their careers and revise their work and working styles.

In addition to the expansion of the programs mentioned above, we have been implementing the Women's Leadership Program (WLP) since 2015 to develop women who realize their own potential and play an active role as leaders. Last year, 19 people participated in this program, which provided intensive training in the facilitation skills and organizational management required of leaders. The program is also an important opportunity for women to connect with each other across departments.

Women's length of service



WLP workshop

TOPICS

Workplace for Diverse Workers

We are working to improve the environment and systems for people with disabilities. The General Affairs Group Inuyama Group3, established in 2017, is made up of employees with disabilities and their mentors, who are experienced employees. Their work includes pull-tab and eco-cap collection, cleaning, and environmental protection work at the site, as well as actual production, such as processing of cable assembly. All members of the workplace are working with their own skills. In addition, mentors follow up with them and teach them how to work and how to think. We will continue to focus on creating a comfortable work environment for our diverse employees.

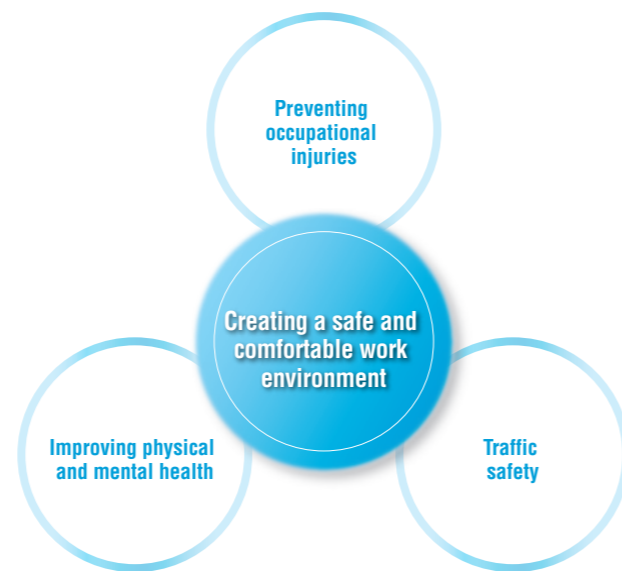


Mentor's instruction



● Promoting Workplace Health and Safety

In line with the Muratec Safety and Health Philosophy and Policy, we regard the protection of employee safety and health as one of our top management priorities. With this understanding, in addition to safety and health activities at each plant, we promote all-Muratec occupational safety and health activities and continuously improve the performances of such activities under the direction of the All-Muratec Safety and Health Committee of which secretariat is based in the Head Office.



● Improving Physical and Mental Health

Improving Employee Health

We make sure that our employees receive regular health checkups, and we have maintained a 100% health checkup rate in Japan. We have established a rigorous follow-up system that requires employees who have health problems to undergo another health checkup at a medical institution and to submit the results. In addition, we hold annual health seminars at our major locations, where outside speakers are invited to speak on health issues to help raise the health awareness of each and every employee. Last year's theme was "Good Eating Habits". Many positive comments were received from participants, such as "I was able to discover the importance of good timing for eating and points for improvement in lifestyle habits."



Eating habits seminar (head office)

Mental Health Care

We conduct a mental stress check in every June with the aim of preventing mental health problems among employees and improving employees' coping skills with stress. Based on the results of the stress checks, we analyze the trends and causes of stress in each workplace, provide feedback to managers, and ask them to develop and implement action plans to improve the workplace environment. We have also set up internal and external mental health counseling

services to ensure that users can consult with them without any worries. On the other hand, as a support system for employees on leave in case of mental health problems, we are working to support a smooth return to the workplace by operating the "Return-to-work Support Program" with the advice and cooperation of occupational physicians and psychiatrists.

Selected as a "2020 Health and Productivity Management Organization (Large Enterprise Category)"

In recognition of our efforts to protect the safety and health of our employees from the perspective of health and productivity management, we have been recognized as a "2020 Health and Productivity Management Organization (Large Enterprise Category)"^{*1} by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi (Japan Health Council). We will continue to implement further improvement measures and strive to maintain this certification. Furthermore, we aim to acquire certification as a "White 500" company, which is given to the top 500 companies in Japan, so that each employee can truly enjoy a safe, secure and healthy work environment.



^{*1} Health and Productivity Management Program: A program to certify companies that proactively identify health issues, promote work-life balance, and take mental health measures, while maintaining employees' health as their management philosophy.

● Preventing and Monitoring All Occupational Injuries

Health and Safety Patrols

We conduct health and safety patrols at our manufacturing sites and offices with the aim of improving the level of health and safety management and instilling a sense of safety culture.

At the L/C Manufacturing Department^{*2}, employees of the department act as their own auditors and conduct "Daily Audits" of the health and safety conditions in the workplace. The issues raised in the Daily Audit are improved on the same day. The results and findings of the audit are put into a score and shared with the company intranet. These KPIs are reported as indicators of daily performance on health and safety in the workplace when reviewed by the head of the business



Refreshment training (L/C Manufacturing Department Inuyama)

unit. Based on the content of these KPIs, the head gives instructions for improvement, and further improvement initiatives are developed at the workplace. We hold annual refreshment training sessions to provide an opportunity to reflect on the significance of our daily health and safety activities and to reaffirm the importance of and appreciation for safety. The people involved in the audit get together and share their learning and awareness of the importance of safety, which we tend to forget in our busy lives, from various perspectives.

^{*2} L/C Manufacturing Department: Common manufacturing department for the L&A Division and Clean FA Division



Refreshment training (L/C Manufacturing Department Ise)

TOPICS

Further Improvement of Health and Safety Activities at Inuyama Site^{*3} toward the Acquisition of ISO 45001 Certification

Last year, our Inuyama site started working towards ISO 45001 certification, a management system for health and safety at work. The objective is to improve the level of health and safety activities at our sites to date.

In last year, we focused on strengthening "leadership", which is considered especially important, and making preparations for the implementation of a "risk assessment of all employees" in order to obtain the certification. First of all, we held a study session on ISO 45001 for executives at the business sites and safety managers in each department. We are also working to raise overall awareness of health and safety by expanding risk assessment activities, which have been conducted mainly on the manufacturing site, to the offices. The aim of this initiative is to shift from the traditional "follow-up" type of accident countermeasures, in which measures are taken to prevent recurrence after an accident has occurred, to a "preventive" type of accident countermeasures, in which the risks and hazards of accidents are identified on a routine basis and proactive measures are taken.

We aim to eliminate the barriers between the manufacturing site and the office and to ensure the safety and security of each and every employee at Inuyama site.

We will strive to prevent occupational injuries and create a safer and more secure work environment by implementing measures to raise all employees' awareness for safety.



ISO 45001 introduction text



ISO 45001 study session

Voice of person in charge

Assistant Manager,
General Administration,
General Affairs Group Inuyama

Yuki Yoneyama



Some of our business units have obtained and maintained OHSAS18001^{*4} certification, the predecessor of ISO45001, and we are working to obtain this certification for all of our business units to prove to people inside and outside the company that we have high quality health and safety standards. Although the process of obtaining certification is challenging, we believe that building a system for improvement will lead to the creation of a safe and healthy workplace for all employees at our sites. We will continue to work with the cooperation of health and safety personnel in each department to create safe and secure workplaces.

^{*3} Inuyama Site: Inuyama Plant, Ise Factory, Toyohashi Office

^{*4} Only the L&A Division and Clean FA Division of Inuyama, Ise, and Toyohashi Plant acquired OHSAS18001, the predecessor of ISO45001.

Working with Customers

Muratec seeks to increase customer satisfaction by improving the quality of its products and services and by responding rapidly to quality issues. To achieve these objectives, we have established Muratec Quality Policy as our fundamental approach to quality improvement. Each and every one of us takes this policy as our own responsibility, and by putting it into practice, we hope to improve a corporate culture that places the highest priority on assuring safety and quality.



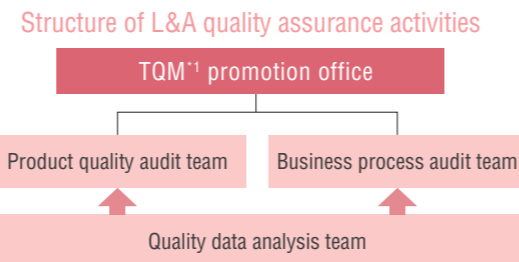
Quality Assurance Initiatives of the L&A Division

The Quality Assurance Department of the L&A Division not only improves the quality of the products it provides to customers, but also utilizes it to improve the quality of business systems by analyzing the L&A Division's own business model from multiple perspectives. These activities are supported by business data analysis based on data science concepts and data-driven business operation design. For example, in order to improve the quality of design reviews (DR) in product assurance, we are using a database to promote awareness of failure cases and sharing of case studies. To improve the quality of our business systems, we are working to improve the resilience of our business processes by preventing opportunity loss due to inefficiencies and delays in decision-making caused by unexpected problems in the process of business execution. We define "stress" as ambiguity in operations, unspecified issues, fluctuations in task quantity and quality due to unexpected tasks, and minimize risk by "visualizing" these events so that they can be explained by data and by taking the best measures to deal with stress.

These activities are reflected in continuous improvement activities in accordance with the quality management system. We are working to eliminate wasteful factors in the work flow of our divisions and to improve product quality while steadily accumulating further productivity improvements and cost reduction projects.



Department meeting for quality improvement



*1 TQM: Total Quality Management

TOPICS

Muratec Win "Japan Logistics Automation Solutions Provider of the Year"

Muratec was awarded the "Japan Logistics Automation Solutions Provider of the Year" in the "2019 Best Practices Award" by Frost & Sullivan², a leading U.S. research firm.

The analyst who judged the award said, "With more than 50 years of experience in the logistics systems business, Muratec's comprehensive, one-stop, customized logistics solutions for its customers are highly valued in the global market. In addition, the company is implementing a management policy of continuously

creating new products and solutions such as the recent smart AGV³ 'Premex X10' (launched in 2018), the case transport and sorting system 'Shuttliner' (launched in 2018), and the remote monitoring system (E-Logics Muratec IoT) for preventive and predictive maintenance. The company is expanding its business in key markets in the Asia Pacific region through trade shows around the world, increasing brand awareness and customer loyalty."



Logo of 2019 Best Practices Award



Premex X10



Shuttliner

² Frost & Sullivan : A research company that covers 300 markets in 80 countries around the world
³ AGV : Automated guided vehicle

Community Involvement

As a good corporate citizen, Muratec inspires the next generation through its business activities and promotes culture, education, and sports through its exchange with local communities. In these two dimensions, we will make contribution to the welfare of local citizens.



Inspiring the Next Generation – Manufacturing starts with human development –

Holding "Karakuri" (Mechanical Doll) Making Classes for Local Elementary School Students (Kyoto)

Every year, the Kyoto City Board of Education holds an event called "Kyoto Children's Product Creation and Workshop Study Project" for elementary school students. Since our participation in 2010, we have been sending our employees to serve as instructors and continue to cooperate in the operation of the event every year. This initiative is in support of our philosophy of promoting interest in the advanced technology of Kyoto, which was developed from its traditional industries, and the science that supports it.

In the class, under the theme of "Let's make karakuri (mechanical doll) that can carry things," the children tried to adjust a "golf ball-carrying machine" using the basic mechanism of a machine such as cams, links, and gears. Despite its simple structure, the children were able to experience the complexity and depth of manufacturing by actually touching and moving the machine.



Holding "karakuri" (mechanical doll) making classes for local elementary school students (Kyoto)

Hands-on Manufacturing Internship (Kyoto)

Every year, Muratec Head Office offers a "Hands-on Manufacturing Internship Program" geared to students attending technical colleges all around Japan. The theme of this internship is "Experience and practice of learning on site," and the students are able to gain work experience through hands-on training and plant tours.

Last year, students worked in teams to make motor-operated devices. They experienced the entire process of product development from planning to conceptualization, design, assembly, and process management. On the last day, the students show their devices to the employees during their lunch break, and the results are judged by voting to determine the best device. This is an opportunity for the students to envision their own workplaces through their interactions with our employees.



Hands-on manufacturing internship (Kyoto)

Giving a CSR Classes at a Nearby University (Kyoto)

As a lecturer in a Ryukoku University Faculty of Policy Science class called "Corporate Social Responsibility Seminar" (led by Professor Takafumi Nakamori), we are introducing our own case studies. This course is jointly organized by the Kyoto CSR Network⁴ and Ryukoku University with the aim of fostering human resources capable of contributing to the sustainable development of society.

We participated as one of the member companies of the Kyoto CSR Network, giving a lecture on our company's CSR activities and the significance of and motivation for these activities. Afterwards, students are divided into teams and visit and interview the company in charge. Based on the content of the interviews, the students conduct their own analysis of the strengths and weaknesses of the activities and make suggestions for improvement. The students analyzed that we were facing issues in the penetration of CSR activities within the company, and proposed such measures as publishing a "CSR journal for internal use" and providing information more frequently.



Giving a CSR classes at a nearby university (Kyoto)

⁴ The Kyoto CSR Network: A regional network led by Kyoto-based companies that aims to create a sustainable society through CSR activities.

Corporate Governance

To remain a company that is trusted and valued by society, Muratec makes group-wide efforts to strengthen its corporate governance and internal control in line with its compliance-focused management policies.

Corporate Governance

Systems for Supervising Management and Operating Businesses

Muratec makes important management decisions and monitors the status of its business operations through management conferences attended by the Board of Directors and Executive Officers as well as through division meetings held in the presence of Board members.

Auditors attend the above meetings to ensure the legitimacy and validity of what is being discussed and resolved. Auditors also conduct accounting and operational audits on Muratec group companies both in Japan and abroad, thereby strengthening overall governance.

Moreover, in line with the Executive Officers System, the power of the Board of Directors is limited to corporate decision-making and management supervision. This effectively transfers operational powers to the Executive Officers, ensuring faster and more appropriate corporate decision-making.

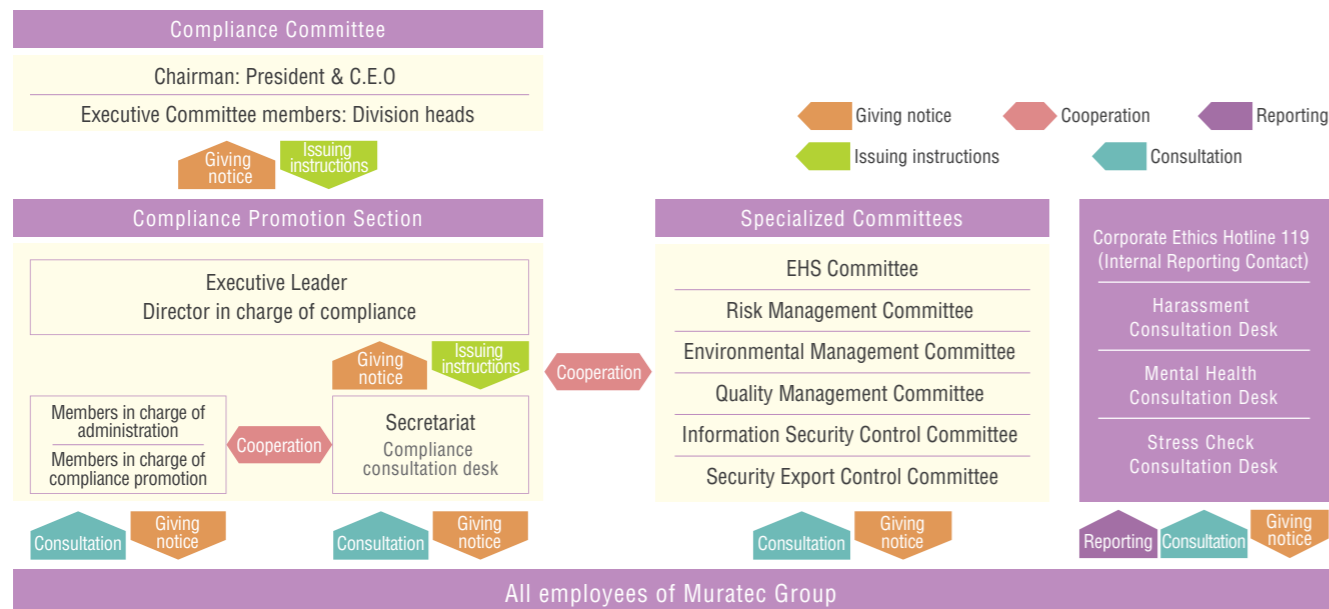
Compliance

Compliance Activity Promotion System

Muratec has established a "Compliance Committee" as an organization for promoting implementation of internal control for the entire Muratec Group. With division heads and group company representatives serving as activity promotion members, the committee enhances each department's compliance awareness and practice.

Compliance Activity Promotion Structure

As of April 2020



Internal Control System

Based on the Companies Act, Muratec has established an "Internal Control Guidelines" through resolution of its Board of Directors. Under these guidelines, we seek to develop a more effective corporate governance system by stepping up efforts toward compliance, information control, and risk management.

Respect for Human Rights and Ethics

Human rights initiatives in a global society

In recent years, there has been growing concern about the poor working environment surrounding foreign workers, including technical intern trainees. In response to these circumstances, we have carried out a check on the conditions of technical intern trainees working at our company, referred to requirements for the global work environment, and clarified rules regarding the recruitment flow, training plans before and during employment, and the storage of documents, including passports. We provide a clean, safe, and comfortable environment for trainees who work and live at our company.

Compliance and Ethics Training

Muratec continuously implements various training programs to develop each employee's awareness and commitment to compliance.

Last year, we held a compliance seminar for managers who have subordinates stationed abroad with the aim of deepening their understanding of problems that can occur overseas and their countermeasures. Participants commented that the seminar provided a good opportunity to review their own behavior as it is a topic that anyone can get involved in.

Training programs in the year ending March 2020 (seminar style)

- Interactive seminar on compliance
- Basic course on the Construction Industry Law
- Basic course on product liability (PL)
- Overseas compliance training
- Seminars for compliance committee members by external speakers



Overseas compliance training (Inuyama)

Risk Management

Muratec Business Continuity Plan (BCP)

Muratec has a BCP in place to prepare for emergencies such as earthquakes, tsunamis, typhoons, floods, fires and pandemics.

Last year, we introduced BCPs for Muratec's group companies and our supplier Muratec Mechatronics Co., Ltd. We held monthly meetings to discuss the details of the BCP appropriate for the local conditions and the organization itself, and prepared a BCP manual, restoration procedures and damage mitigation plans. We also conducted training to promote awareness and understanding of the content. Going forward, we will increase the effectiveness of our BCP by repeating the training. We are also aiming to strengthen the BCP system for the entire supply chain, not only for our company, but also for our group companies and suppliers.



Compact drill (Muratec Mechatronics Co., Ltd. Shiga)

TOPICS

Increase Awareness of the Advance Compliance Consultation Desk

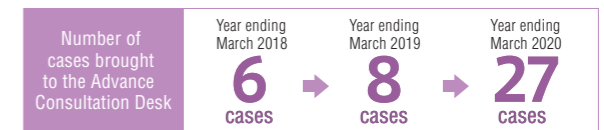
We have established an Advance Compliance Consultation Desk to enable employees to consult with us in advance when they are concerned about compliance risks that may arise in the course of their work. This is a system for the early detection and prevention of compliance risks that may occur within the company. We believe it is important to make this system known to our employees and promote its use, so that even one less employee is left alone without knowing where to go for advice.

Last year, we began distributing a monthly compliance newsletter with case studies of compliance violations in employees' daily lives. In addition, as in previous years, we held compliance seminars led by the desk staff and conducted compliance e-learning for all employees.

As a result of these activities, the number of consultations to the Compliance Consultation Desk increased from 8 to 27 in one year, and awareness of the compliance consultation desk increased by 17% from the previous year. We will continue to raise awareness of the compliance consultation desk and build relationships that make it easier to seek advice, with the aim of preventing compliance violations and creating a more open corporate culture.



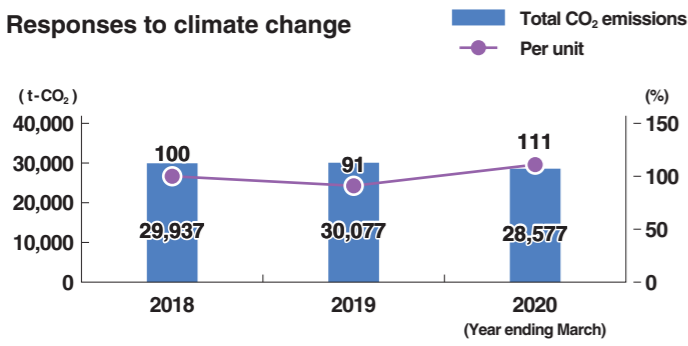
Compliance seminar (Osaka)



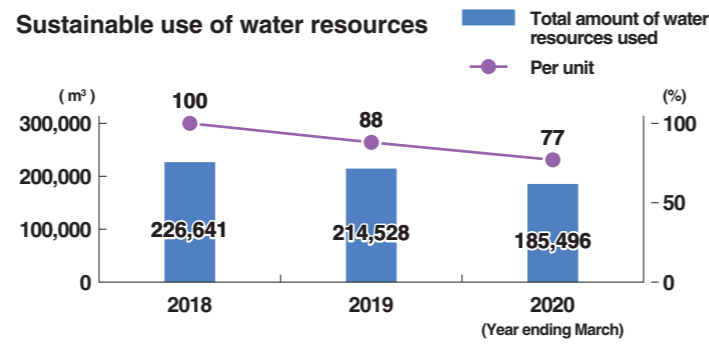
● Environment (2030 Targets based on the data of year ending March 2018)

■ Environmental Performance

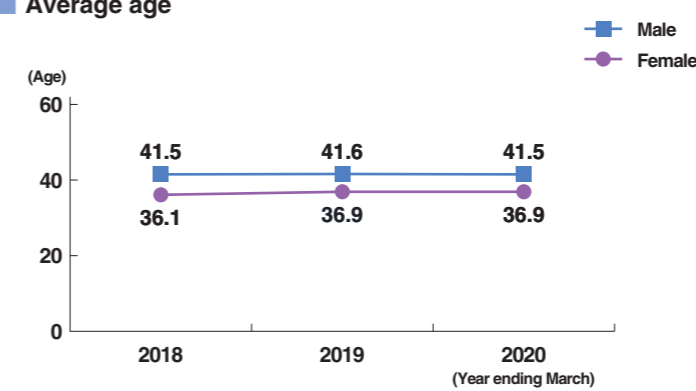
Responses to climate change



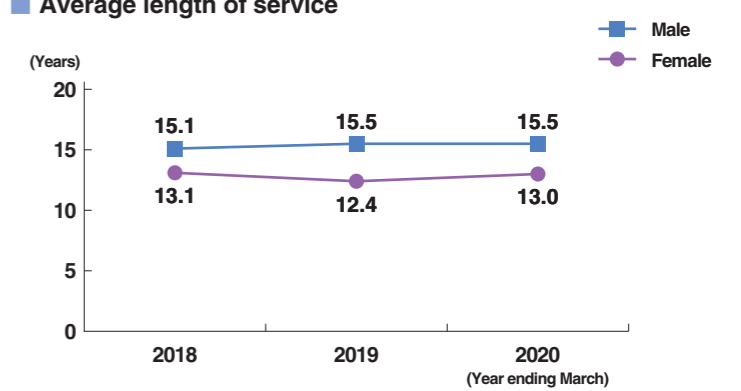
Sustainable use of water resources



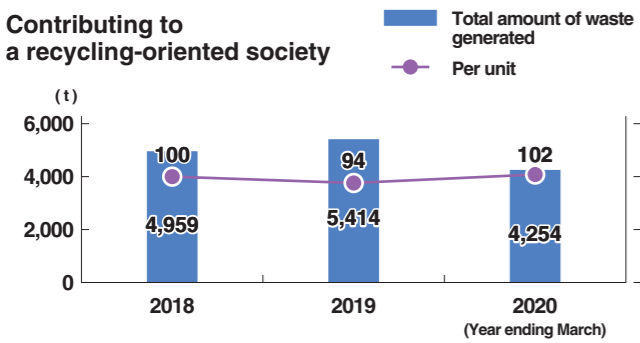
Average age



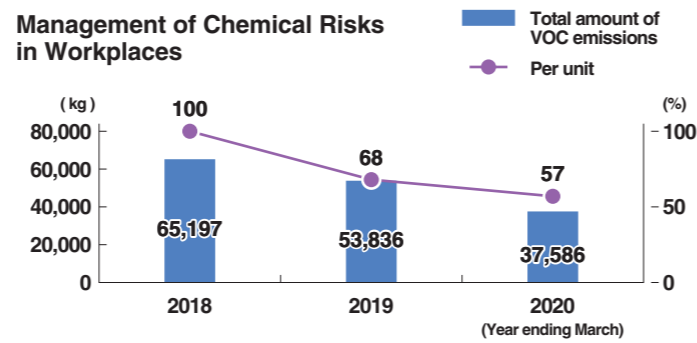
Average length of service



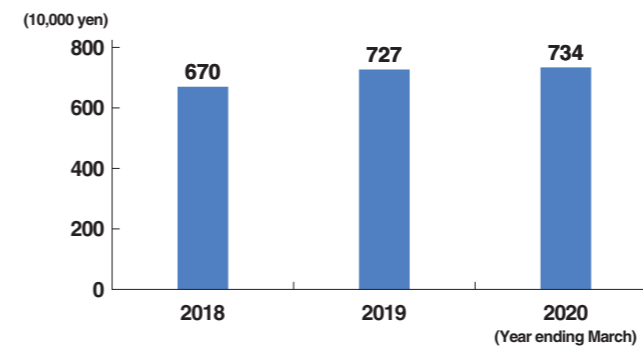
Contributing to a recycling-oriented society



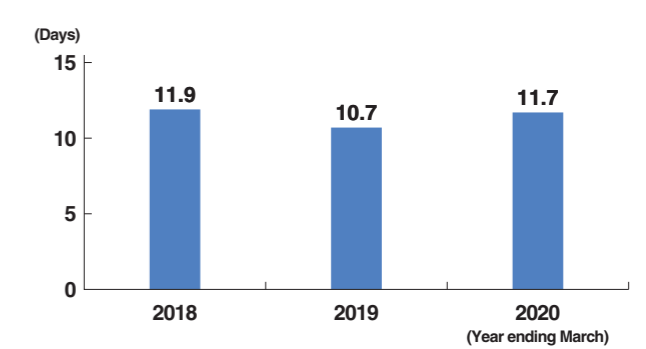
Management of Chemical Risks in Workplaces



Average annual salary



Average paid leave days taken



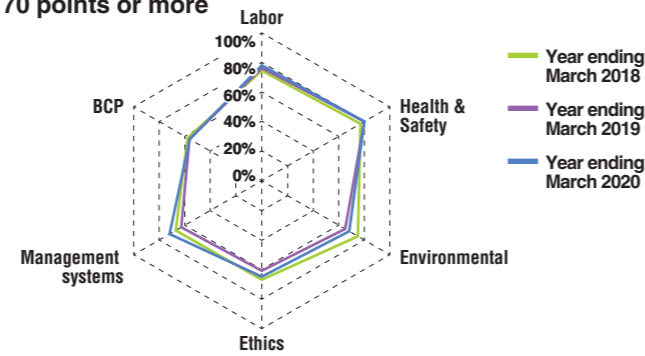
* Boundaries/organizations
Head Office, Inuyama Plant, Ise Factory, Kaga Factory, Shiga Factory and Oita Factory of Muratec Mechatronics Co., Ltd.
(VOC includes data of Inuyama Plant, Kaga Factory and Shiga Factory of Muratec Mechatronics Co., Ltd.)

● Supply chains

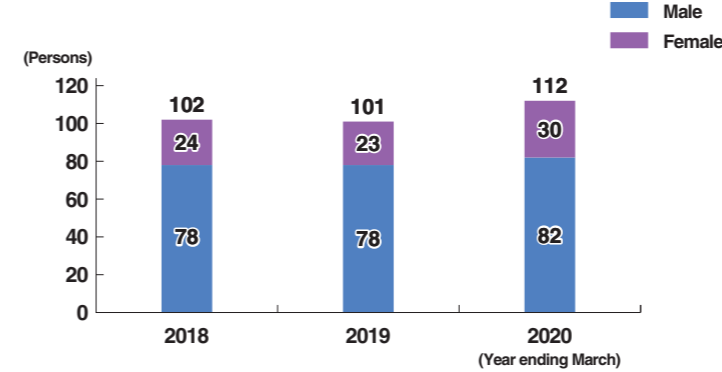
■ Results of supplier surveys

Major items	Year ending March 2018	Year ending March 2019	Year ending March 2020	
Number of responses	66companies	92companies	117companies	
RBA Code of Conduct comprehension (average)	61points	63points	65points	
Percentage of suppliers with a commitment level of 70 points or more	Labor	75%	77%	79%
	Health & Safety	77%	80%	80%
	Environmental	75%	65%	68%
	Ethics	67%	61%	65%
	Management systems	67%	63%	72%
BCP	58%	56%	56%	

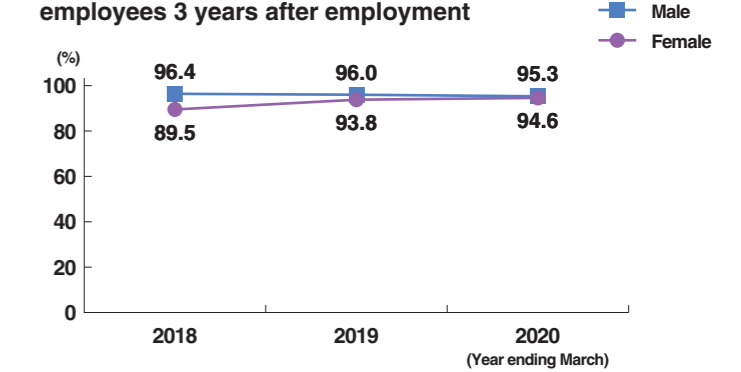
■ Percentage of suppliers with a commitment level of 70 points or more



■ Number of newly graduated employees

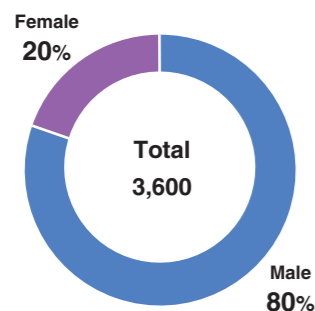


■ Retention rate of newly graduated employees 3 years after employment

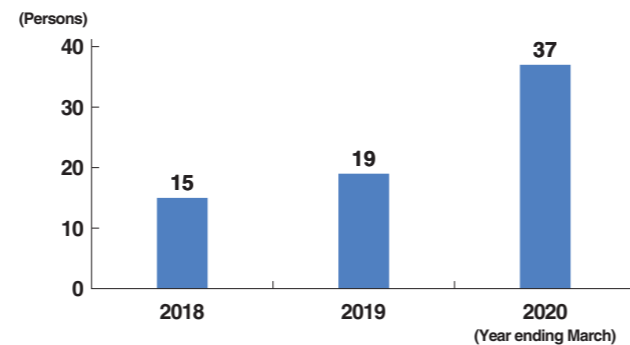


● Employee (non-consolidated)

■ Workforce by gender (As of April 2020)

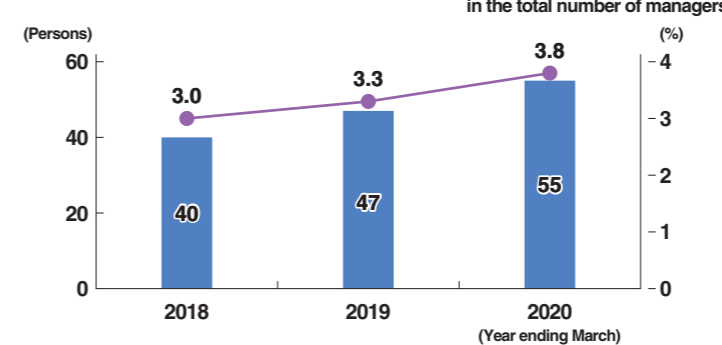


■ Number of foreign employees *1

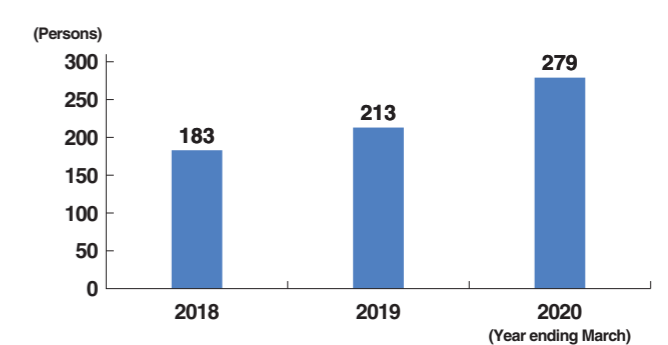


*1 Number of those other than Japanese nationals

■ Number of female managers

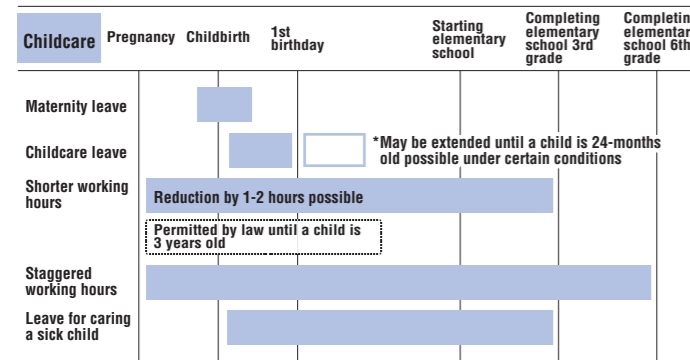


■ Number of working mothers



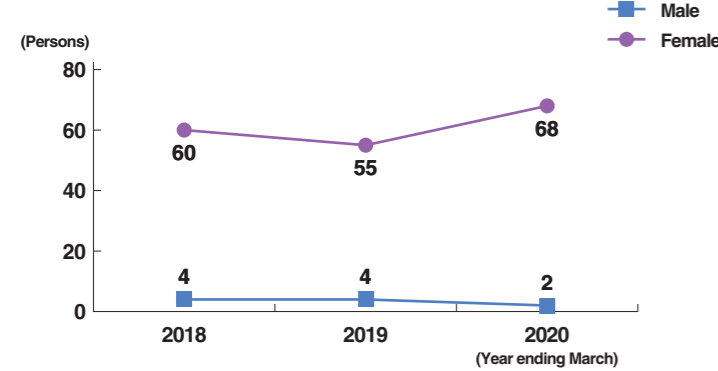
Employee (non-consolidated)

Status of use of the systems for promoting a work and family life balance

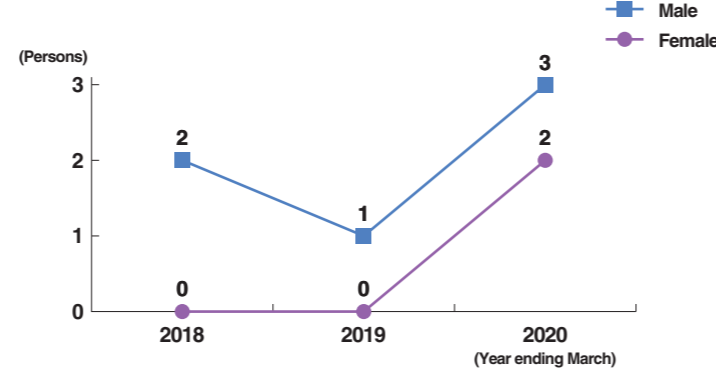


Nursing	Availability period
Family care leave	Up to 93 days in total for each eligible family member (Leave can be divided and taken separately up to 3 times)
Shorter working hours	For each eligible family member, this program may be used for a period desired by the user, up to 3 years from the day on which the program starts being used.
Staggered working hours	For each family member requiring constant nursing care, this program may be used for a period desired by the user.
Family care time-off	Up to 5 days a year for each eligible family member (For more than one family members, up to 10 days a year)

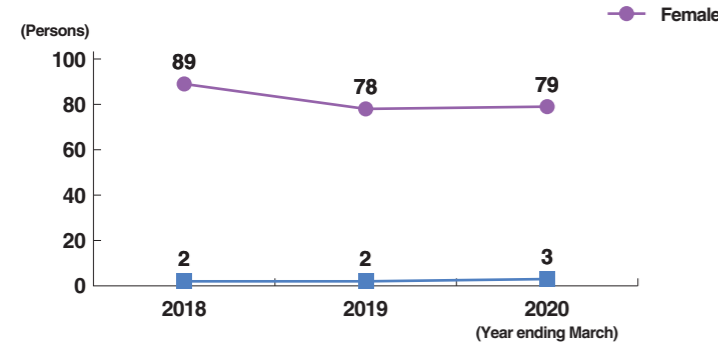
Number of employees on childcare leave



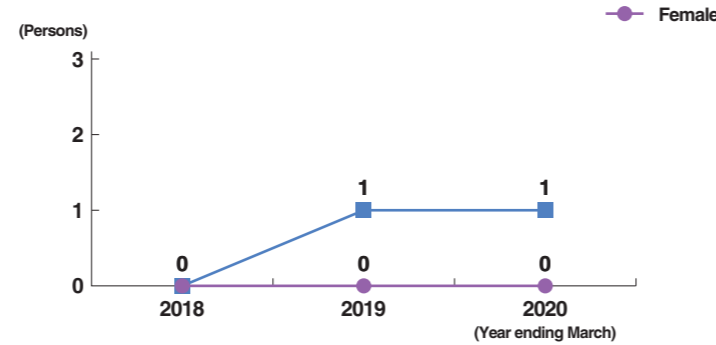
Number of employees on nursing care leave



Number of employees using the shorter working hours program for childcare



Number of employees using the shorter working hours program for nursing care

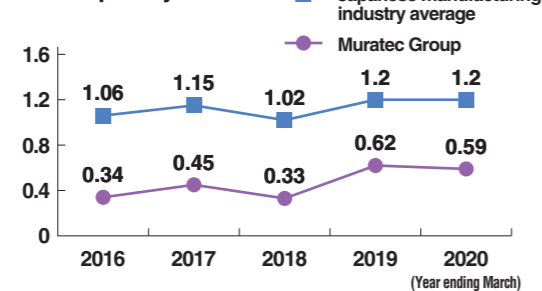


Safety and Health

Number of Occupational Injuries ^{*1}

Injury category (LTI/NLTI)	Lost-time injury (LTI: Lost time one day or longer)	Non-lost-time injury (NLTI: Lost time less than one day)
Year ending March 2016	3	15
Year ending March 2017	4	13
Year ending March 2018	3	13
Year ending March 2019	6	8
Year ending March 2020	6	15

Trend of Occupational Injury Frequency Rate ^{*2}



Health data ^{*3}

	Year ending March 2018	Year ending March 2019	Year ending March 2020
Rate of undergoing regular health checkups	100	100	100
Rate of undergoing mental health stress check	91	94	95

*1 Target offices and plants: Head Office, Inuyama, Ise, Kaga, and the Shiga and Oita of Muratec Mechatronics Co., Ltd. (employees including temporary dispatched workers, but not contract workers)

*2 Occupational injury frequency rate is the frequency of the occurrence of disaster presented by the number of casualties caused by occupational injuries per a total of 1 million hours worked.

*3 Data include all people working for the Muratec Group (in Japan)

Overview of safety & health training program

- Safety & health lectures (for new employees)
- Safety & health training programs planned in the safety and health activities of each office/factory
- Experiencing simulated dangerous situations at "Safety Training Camp"
- Safety & health training before entering customers' work sites (mainly construction sites)
- ISO45001 introductory training (only for certified divisions)
- Traffic safety seminar
- Health seminar
- Mental health seminar
- "Refresh" training for EHS Daily Audit
- e-learning on raising safety & health awareness
- Themed e-learning sessions

Safety & health e-learning courses and offices/factories and divisions that have offered them

Courses	Offices/factories and divisions that have offered the e-learning courses	Year ending March 2018	Year ending March 2019	Year ending March 2020
Safety & health awareness raising	Head Office	-	95%	97%
Safety & health awareness raising	Inuyama	93%	96%	91%
Reducing the physical and mental stress by improving the work environment and working with information equipment	Head Office	-	89%	97%
Reducing the physical and mental stress by improving the work environment and working with information equipment	Inuyama	-	-	91%
Reducing the physical and mental stress by improving the work environment and working with information equipment	Ise	-	93%	96%
Stress management (for employees in their second year with Muratec)	All Muratec	100%	100%	97%
Risks of chemical substances	L/C Manufacturing Department at the Inuyama and Ise ^{*4}	100%	100%	100%
Need to use protective gear	L/C Manufacturing Department at the Inuyama and Ise ^{*4}	100%	100%	100%
How to use tools	L/C Manufacturing Department at the Inuyama and Ise ^{*4}	-	100%	100%

*4 L/C Manufacturing Department: A common manufacturing department for L&A Division and Clean FA Division

Corporate Governance

Overview of compliance training program

- Compliance seminar
- Themed training (export management, business risks in general, basics of contracts, etc.)
- e-learning on compliance awareness raising
- e-learning on information security
- e-learning on addressing cartel risks
- e-learning on harassment prevention
- e-learning on BCP
- e-learning on secret information control
- e-learning on the handling of highly confidential customer information
- e-learning on corruption and bribery prevention

Compliance e-learning courses and offices/factories and divisions that have offered them with performances

Courses	Offices/factories and divisions that have offered the e-learning courses	Year ending March 2018	Year ending March 2019	Year ending March 2020
Compliance awareness raising	All Muratec	-	88%	91%
Information security	All Muratec	-	93%	94%
Information security (for managers)	All Muratec (optional)	-	-	100%
Addressing cartel risks	All Muratec	84%	85%	84%
Harassment prevention	All Muratec	98%	94%	94%
Harassment prevention (for managers)	All Muratec	-	99%	99%
BCP	Head Office, Inuyama, and Ise ^{*5}	95%	94%	94%
Secret information control	Target employees of the CFA and L/C Divisions	100%	100%	100%
How to handle highly confidential customer information	Target employees of the CFA and L/C Divisions	100%	100%	100%
Corruption and bribery prevention	Target employees of the CFA and L/C Divisions	100%	100%	100%

*5 Head Office is included from the year ending March 2019