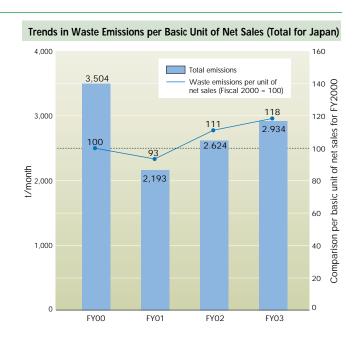
Resource Conservation and Waste Reduction

Murata is working to reduce—to as close to zero as possible—the environmental impacts accruing from waste produced as a result of our business activities. Our goal is to contribute to the development of a "recycling society" by reviewing production processes, minimizing the disposal of waste matter, and promoting recycling and reuse.

Reducing Waste Production

In fiscal 2003, Murata's monthly average waste emissions totaled 2,934 metric tons in Japan and 400 metric tons outside Japan. Our goal for the end of fiscal 2003 was to promote various initiatives in order to achieve a 10% reduction in waste matter generated per unit of net sales; however, the result was an 18% increase in Japan. The main cause of this increase in waste emissions was the trend toward higher production because of extensive and continually falling unit prices for products since fiscal 2000; as a result, net sales increased only slightly

Although we achieved our zero emissions target in 2003, we believe there is a need to decrease emissions further in order to further reduce the environmental load. Therefore, we will continue to work toward reducing emissions. Specifically, in addition to implementing initiatives to reduce emissions by decreasing the failure rate and using more high-efficiency materials, we will incorporate a review of the sorting method for disposal in order to sell the recyclable waste materials obtained.



Change of Cleansing Methods in the Production Process

At Izumo Murata Manufacturing, we used to generate waste liquids through our cleansing processes. However, thanks to the cooperation and collaboration of our technology division and manufacturing division, as well as repeated testing and evaluation, we have developed a production method that renders cleaning unnecessary while achieving the necessary product quality.

Through this approach, we have been able to reduce the amount of cleansing waste liquid generated by 2,000 metric tons annually. Moreover, as a secondary benefit, we have reduced our consumption of chemical products and energy.



Reduction of Water Consumption

In order to reduce our consumption of water, a finite resource, we are recycling coolant water and optimizing the amount of water used for cleaning.

Previously, the various plants, offices, and subsidiaries would address this theme in a specific way. Going forward, however, we will establish a common group-wide reduction goal and will take steps to further reduce our water consumption.

