

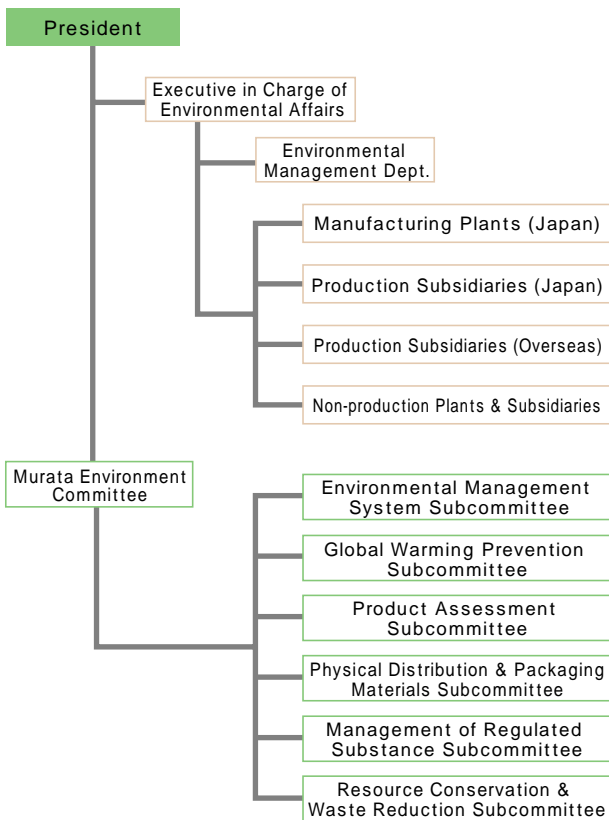
## Environmental Management

For efficient environmental stewardship, it is important to establish both a proper environmental management system and promotion system. Murata has worked to increase the number of plants and offices with ISO 14001 certification, and to identify the costs and effects related to environmental preservation.

### Environmental Management Promotion System

To embody the environmental management policy and plans, a proper promotion system is indispensable. Murata has appointed an executive in charge of environmental affairs, as the person responsible for harmonizing the environmental conservation activities of the entire group. With the Environmental Management Department as the functional staff, we are thus promoting comprehensive environmental preservation activities. As a consultative body to the President, we have established the Murata Environment Committee, to examine and deliberate group-wide environmental initiatives and themes. For the lower levels of the Environment Committee, we have set up subcommittees based on particular themes, and are using them to conduct specialized research and planning activities.

### Environmental Management Promotion System



### Acquisition of ISO 14001 Certification

All of Murata's production sites in Japan and in other countries have acquired ISO 14001 certification. In fiscal 2004, the Yokohama Technical Center of Murata Manufacturing Co., Ltd. obtained ISO 14001 certification, the first time a Murata non-production site has achieved this.

We plan to receive ISO 14001 certification for Murata's Head Office and the Tokyo Branch during fiscal 2005.

Moreover, during fiscal 2006, we intend to link together the environmental management systems of the Head Office, Tokyo Branch, Yokohama Technical Center, Yasu Plant and Yokaichi Plant, so as to convert all the individual certifications into a multi-site ISO 14001 certification.

DATA ISO 14001-registered sites

### Environmental Audits

Environmental audits are carried out on a regular basis to make sure environmental management is being properly implemented. We have employed both internal and external audits at each of our production plants and production subsidiaries to ensure balanced, effective environmental management. During fiscal 2004, in addition to conventional audits, we conducted audits of waste management at seven overseas sites, and confirmed that wastes generated from operations at facilities in foreign countries were properly disposed of.

Internal Audits
<p><b>Plant Internal Self-audit</b></p> <p>We have established a management standard for day-to-day business at each production plant and subsidiary. Based on this standard, operations are monitored so that we can discover and correct noncompliance immediately. In addition, we conduct annual internal audits to check whether the various prescribed rules are being followed correctly.</p>
<p><b>Functional Staff Audit by the Environmental Management Department</b></p> <p>This audit is conducted on a regular basis in order to complement inspections by the external certification body, and compensate for specialized areas that cannot be covered by the plant's own internal inspection.</p>
<p><b>Audit by Auditors</b></p> <p>Auditors study and inspect whether the company's environmental management system has been established and implemented appropriately, and whether management is being conducted in an overall consistent manner. If necessary, the auditors will make comments.</p>

## Environmental Training and Awareness Raising

### Environmental Training

To sustain environmentally conscious business operations, it is vital that each employee considers and practices eco-friendly activities in a responsible manner. Toward this end, first, employees should understand the environmental vision and policies set forth by corporate management and the initiatives of the plants and divisions. Murata therefore provides its employees with various opportunities for environmental education.

Our environmental training efforts include organizing general environmental education programs for all employees, training courses to develop qualified personnel as internal environmental auditors, and individualized education programs for employees engaged in operations that may have high environmental impact.

DATA Environmental Training Menu



Seminar for training internal environmental auditors (Fukui Murata Manufacturing Co., Ltd.)

### Environmental Awareness Raising

In Journal Murata, our company newsletter, we present an annual feature on our environmental activities, in order to enhance environmental awareness among our employees. Through this annual feature, we report on the progress the company has made in implementing themes for company-wide initiatives, and introduce examples of environmental measures we take.

Also, we have expanded our company award system with our Global Environmental Protection Promotion Award, an achievement award that recognizes employees who have made a significant contribution to environmental preservation. The Award for fiscal 2004 was presented to employees who engaged in an initiative that achieved zero emissions.

## Environmental Cost Management

In the interests of ensuring more efficient environmental management, Murata identifies and analyzes the effects of its environmental preservation investments and costs. To underpin this approach, Murata has established a unique environmental cost management system. This system was introduced in the company's plants, offices, and subsidiaries in Japan in 2003.

This system has enabled Murata to pinpoint the costs and effects of individual programs of its ISO 14001-compliant environmental management system. The obtained information enables us to continually confirm our progress, modify our plans or review our management approach. We make use of this system to implement efficient measures, promote horizontal business development, and establish and review our environmental objectives and targets in view of greater efficiency.

During fiscal 2004, Murata invested approximately ¥930 million in environmental conservation, with an estimated economic benefit from the investment of about ¥850 million. The cost required for environmental conservation totaled approximately ¥3,390 million, with the resulting economic effect estimated to be about ¥1,250 million.

DATA Environmental Cost Management

### Environmental Cost Management System

