

Environment Accounting

Murata attains efficient environmental management by evaluating and analyzing the costs of environmental protection in its environmental activities and the results of these activities.

Environmental Cost Management

Plans to Extend Our Cost Management System Overseas

Murata established its cost management system in 2003. This initiative enables the Company to evaluate the costs of environmental activities in its domestic manufacturing plants and subsidiaries and the results of these endeavors. Through the system, this information is subsequently linked to ongoing activities to reduce our environmental impact.

Since fiscal 2006, we have been preparing to introduce this system in our overseas factories. After surmounting various difficulties, the system is due to start operation from fiscal 2008.

Results and Analysis for Fiscal 2006

Increase in Investment to Prevent Pollution

During fiscal 2006, the cost of Murata's environmental activities was ¥4 billion, and investment expenses totaled ¥1.7 billion.

Investment in such energy reduction technologies as cogeneration systems as part of our strategy to curb global warming dropped, leading to a decline in global environmental conservation investment. However, investment in pollution prevention increased, spurred by the installation of gas emission and wastewater treatment facilities accompanying new manufacturing plant construction.

Results of environmental activities included a reduction of 170,000 tons in greenhouse gas emissions arising from aggressive introduction of double-bundle refrigeration equipment.

Environmental Accounting

Classification		Costs (Millions of yen)		Investment (Millions of yen)	
		Fiscal 2005	Fiscal 2006	Fiscal 2005	Fiscal 2006
Cost manufacturing plant premises	Pollution prevention	464	470	239	893
	Global environmental conservation	364	319	1,178	512
	Recycling	1,326	1,511	190	109
Cost for upstream/downstream environmental conservation		149	120	0	0
Cost of management activities		429	472	0	97
Cost of social activities		164	200	1	1
Cost of R&D		1,468	930	129	96
Cost of environmental damage		0	0	0	0
Total		4,364	4,022	1,737	1,708

1. The scope of accounting includes Murata Manufacturing's plants and 17 subsidiaries in Japan.
2. The accounting term is the 12-month period from April 1, 2006, to March 31, 2007.
3. Costs include labor and depreciation.
4. Proportional accounting is applied for compounded costs, in which the cost of environmental conservation is embedded in other costs.
5. Research and development costs are the total expenses for R&D intended primarily for environmental conservation.



Web Data

● Environmental Accounting
(Economic Effects/Physical Effects)

▶ <http://www.murata.com/csr/environment/05.html>