



Environmental Accounting

Murata endeavors to reduce the environmental impact of its business activities by determining and analyzing the cost of environmental protection as well as the effectiveness of the results of its efforts on the environment.

Environmental Cost Management

Plans for International System Expansion

In 2003, Murata created an environmental cost management system incorporating an environmental accounting approach. This system allows the Group within Japan to calculate the expenses required for environmental activities and the results obtained in order to conduct more effective activities to reduce environmental impact.

In fiscal 2007, we revised our environmental cost calculation method. We replaced the previous system, which required personnel at each plant to input and total data, with one in which related information is taken directly from the administrative accounting system at the Head Office, thereby increasing accuracy and streamlining work processes.

Now, with the calculation method improvements in place, we plan to begin operation of the environmental cost management system at our overseas production plants in fiscal 2009.

Investment expenses categorized as management activities also increased due to the investments made for greening of plant areas, which is one of Murata's signature activities. Major plant greening investments were undertaken in fiscal 2007 at Izumo Murata and Toyama Murata.

Izumo Murata wastewater treatment facility



Results and Analysis for fiscal 2007

Increase in Investment to Prevent Pollution

The cost of environmental activities in fiscal 2007 was approximately ¥3.5 billion, and investment expenses totaled approximately ¥2.8 billion.

The first stage of large investments for the prevention of global warming, such as the cogeneration system, are complete; however, investment expenses for the prevention of pollution increased because of renovations, expansion, and maintenance of wastewater treatment facilities at the Yasu Plant, Izumo Murata, and other plants.



Yasu Plant wastewater treatment facility

▼ Environmental Accounting

Classification		Costs (Millions of yen)		Investment (Millions of yen)	
		FY2006	FY2007	FY2006	FY2007
Cost manufacturing plant premises	Pollution prevention	470	338	893	1,807
	Global environmental conservation	319	303	512	534
	Recycling	1,511	1,405	109	166
	Subtotal	2,300	2,047	1,514	2,507
Cost of upstream/downstream environmental conservation		120	150	0	0
Cost of management activities		472	631	97	202
Cost of social activities		200	85	1	0
Cost of R&D		930	598	96	108
Cost of environmental damage		0	0	0	0
Total		4,022	3,509	1,708	2,817



Data Calculation Method

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, 2007 to March 31, 2008.
3. Costs include labor and depreciation.
4. Proportional accounting is applied, in which the cost of environmental conservation is embedded in other costs.