

**CSR Report 2005**

# **Performance Data**

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Murata Group



*Innovator in Electronics*

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## Environmental Management

### Sites with ISO 14001 Certification

ISO 14001-registered Production Sites in Japan and Other Countries  
(In registration order)

Production Site	Registration Date
Taiwan Murata Electronics Co., Ltd.	1997.09.30
Murata Electronics Singapore (Pte.) Ltd.	1997.12.05
Kanazawa Murata Manufacturing Co., Ltd.	1997.12.22
Murata Electronics (Thailand), Ltd.	1998.10.05
Yokaichi Plant	1998.11.25
Fukui Murata Manufacturing Co., Ltd.	1998.12.25
Izumo Murata Manufacturing Co., Ltd.	1998.12.25
Toyama Murata Manufacturing Co., Ltd.	1998.12.25
Komatsu Murata Manufacturing Co., Ltd.	1999.02.23
Murata Electronics (Malaysia) Sdn. Bhd.	1999.08.06
Beijing Murata Electronics Co., Ltd. (China)	1999.09.23
Okayama Murata Manufacturing Co., Ltd.	1999.10.27
Tome Murata Manufacturing Co., Ltd.	1999.11.20
Kanazu Murata Manufacturing Co., Ltd.	1999.11.27
Azumi Murata Manufacturing Co., Ltd.	1999.12.01
Himi Murata Manufacturing Co., Ltd.	1999.12.01
Hakui Murata Manufacturing Co., Ltd.	1999.12.02
Iwami Murata Manufacturing Co., Ltd.	1999.12.02
Sabae Murata Manufacturing Co., Ltd.	1999.12.05
Yasu Plant	1999.12.27
Wakura Murata Manufacturing Co., Ltd.	1999.12.27
Anamizu Electronics Industries, Ltd.	1999.12.28
Wuxi Murata Electronics Co., Ltd. (China)	2000.01.21
Suzhou Murata Electronics Co., Ltd. (China)	2004.06.07
Yokohama Technical Center	2005.03.24

### Environmental Training

#### Environmental Education and Training

Type		Content
Level-based training	Training for newly hired employees	Lectures for newly hired employees on general knowledge regarding environmental issues and environmental protection
	Training for rank-and-file employees	Lectures on matters regarding the plant environmental management system, which should be widely known to employees
	Training for management-level employees	Lectures on items that management-level employees should understand, in addition to the above matters
Function-based training	Training for internal environmental auditors	Specialized training course to develop qualified personnel as internal environmental auditors in our plants
	Specialized training	Training conducted by each plant to keep everyone informed about in-house systems concerning management of environmentally hazardous substances, such as chemical substance-related training and training on wastes
	Emergency simulation drills	Practical training conducted as if an emergency has just occurred in a plant

#### Persons with Environmental Qualifications

Qualification name	Persons qualified	Persons obtaining qualification in FY2004
Pollution Control Manager (Air)	56	2
Pollution Control Manager (Water quality)	119	3
Pollution Control Manager (Noise)	21	0
Pollution Control Manager (Vibration)	12	0
Pollution Control Manager (Dust)	5	0
Pollution Control Manager (Dioxins)	3	0
Senior Pollution Control Manager	5	0
Energy Manager (Heat)	34	2
Energy Manager (Electricity)	37	0
Qualified Person for Energy Management (Heat)	3	1
Qualified Person for Energy Management (Electricity)	12	1
Manager of Industrial Waste Subject to Special Controls	109	8
Environmental Management System Provisional Auditor	14	0
Internal Environmental Auditor (in-house qualification)	699	122

## Environmental Management

### Environmental Cost Management

#### Environmental Preservation Costs (Investment vs. Effects)

- During fiscal 2004, Murata invested a total of approximately ¥930 million in environmental conservation, with an estimated economic benefit from the investment of about ¥850 million.
- For global environmental conservation, we aggressively invested in replacing freezers and lighting fixtures with high-efficiency ones. As a result, the estimated reduction of greenhouse gas emissions is about 26,000 metric tons-CO<sub>2</sub>.
- For recycling, we made aggressive investments related to the introduction of concentrators for alkaline and acid waste solutions, and of cooling water systems for heat treatment furnaces. As a result, waste reduction and water conservation are estimated to be about 6,810 metric tons and 275,392 m<sup>3</sup>, respectively.

#### Environmental Preservation Costs (Investment vs. Effects)

Classification		Investment (Millions of yen)	Economic effects (Millions of yen)	Physical effects	
Costs for plant and office areas	Pollution control	190			
	Global environmental conservation	430	508	Reduction of greenhouse gas emissions (CO <sub>2</sub> equivalent)	26,466 [t-CO <sub>2</sub> ]
	Recycling	78	346	Resource conservation	7 [t]
				Water conservation	275,392 [m <sup>3</sup> ]
				Waste reduction	6,810 [t]
	-		-		
Subtotal		698	854		
Cost of upstream/downstream environmental conservation		0	0	-	-
Cost of management		0	0	-	-
Cost of social activities		6	0	-	-
Cost of R&D		221	-	-	-
Cost of environmental damage		0	0	-	-
Total		925	854		

(1) The scope of accounting includes plants and offices of Murata Manufacturing and 17 subsidiaries in Japan.

(2) The accounting term is the 12-month period from April 1, 2004 to March 31, 2005.

(3) Effects include the materials and costs that are reduced over the five-year period as a result of the investments.

(4) Proportional accounting is carried out for compounded costs in which the cost of environmental conservation is embedded in other costs.

(5) Presumptive effects, such as the avoidance of potential risk, are not calculated.

(6) For the fuel and electric power conversion coefficients for CO<sub>2</sub> emissions, we used the figures in the Report on the Survey of Carbon Dioxide Emissions (1992), Environment Agency.

(7) The amount of reduction is calculated as the effective difference between application and non-application of the investment.

(8) R&D cost is the total of expenses entailed in research and development intended primarily for environmental considerations.

### Environmental Preservation Costs (Costs vs. Effects)

- During fiscal 2004, the costs required for environmental conservation totaled approximately ¥3,390 million, with the resulting economic effects estimated to be about ¥1,250 million.
- For global environmental conservation, we actively promoted the improvement of operating conditions of heat treatment furnaces and reduction in consumption of compressed air. As a result, the estimated reduction of greenhouse gas emissions is about 23,482 metric tons-CO<sub>2</sub>.
- For recycling, we achieved waste reduction of 6,545 metric tons and water conservation of 80,469 m<sup>3</sup>, as a result of our initiatives to improve the recycling level, to promote cyclic use of water, and review of the cooling water temperature.
- As for the cost of environmental damage, we reversed ¥35 million of the amounts reported as liabilities, since remediation has been completed at some of our plants.

### Environmental Preservation Costs (Investment vs. Effects)

Classification		Amount invested (Millions of yen)	Economic effects (Millions of yen)	Physical effects	
Costs for plant and office areas	Pollution control	478	-	Number of cases where regulated values are not satisfied	0 [None]
				Reduction in chemical substances emitted	148 [t]
	Global environmental conservation	203	318	Reduction in greenhouse gas emissions (CO <sub>2</sub> equivalent)	23,482 [t-CO <sub>2</sub> ]
	Recycling	1,420	916	Resource conservation	227 [t]
				Water conservation	80,469 [m <sup>3</sup> ]
				Waste reduction	6,545 [t]
				Increased recycling	59 [t]
Subtotal	2,101	1,234			
Cost of upstream/downstream environmental conservation	175	12	Reduction of packaging materials	13 [t]	
Cost of management	432	-	-	-	
Cost of social activities	156	-	-	-	
Cost of R&D	559	-	-	-	
Cost of environmental damage	-35	-	-	-	
<b>Total</b>	<b>3,388</b>	<b>1,246</b>			

(1) The scope of accounting includes plants and offices of Murata Manufacturing and 17 subsidiaries in Japan.

(2) The accounting term is the 12-month period from April 1, 2004 to March 31, 2005.

(3) Costs include labor but not depreciation.

(4) Proportional accounting is carried out for compounded costs in which the cost of environmental conservation is embedded in other costs.

(5) Presumptive effects, such as the avoidance of potential risk, are not calculated.

(6) For the fuel and electric power conversion coefficients for CO<sub>2</sub> emissions, we used the figures in the Report on the Survey of Carbon Dioxide Emissions (1992), Environment Agency.

(7) Physical effects are calculated as the effective difference between implementation and non-implementation of the countermeasures.

(8) R&D cost is the total of expenses entailed in research and development intended primarily for environmental considerations.

## Preventing Global Warming

### Reduction of CO<sub>2</sub> emissions

#### Reduction of CO<sub>2</sub> Emissions in Japan

##### Total emissions

Value in FY2004: 395,231 t-CO<sub>2</sub>

8.3% increase compared to the previous fiscal year;

131.5% increase compared to fiscal 1990 levels

CO<sub>2</sub> emissions per unit of net production (base year: FY1990)

Value in FY2004: 0.77

±0% compared to the previous fiscal year; 23% decrease compared to fiscal 1990 levels

#### Reduction of CO<sub>2</sub> Emissions from Distribution

##### Total emissions

Value in FY2004: 3,922 t-CO<sub>2</sub>

0.02% increase compared to the previous fiscal year;

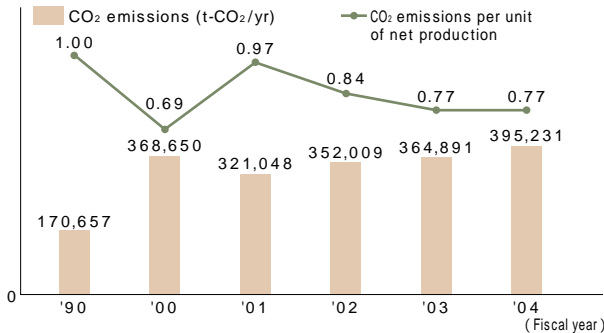
9.3% decrease compared to fiscal 2000 levels

CO<sub>2</sub> emissions per unit of net production (base year: FY2000)

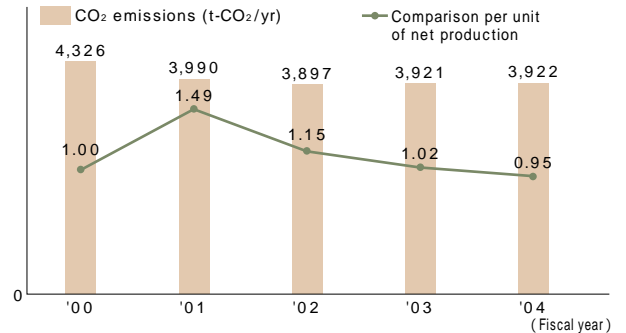
FY2004 value: 0.95

7% decrease compared to the previous fiscal year; 5% decrease compared to fiscal 2000 levels

CO<sub>2</sub> emissions per unit of net production (in Japan)



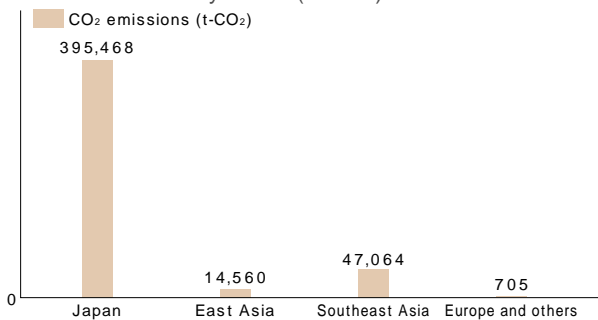
CO<sub>2</sub> Emissions from Distribution



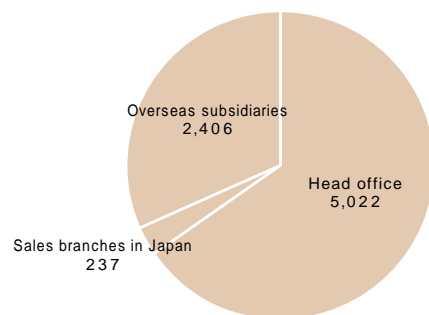
**Present Condition of CO<sub>2</sub> Emissions Overseas**  
Murata operates production sites overseas as well. Currently, however, our CO<sub>2</sub> emissions are mainly released from production sites in Japan, accounting for 86% of total emissions. We are implementing initiatives to reduce CO<sub>2</sub> emissions also in our overseas plants, but focusing on production plants in Japan.

**Reduction of CO<sub>2</sub> Emissions in Offices**  
If our offices are classified into the head office, sales branches, and overseas subsidiaries, the head office accounts for approximately 65% of all emissions, holding the largest percentage. Henceforth, we will further strengthen initiatives for energy conservation at offices, also focusing on the CO<sub>2</sub> reduction efforts at overseas subsidiaries.

CO<sub>2</sub> emissions by area (t-CO<sub>2</sub>)



CO<sub>2</sub> Emissions in Offices (t-CO<sub>2</sub>)



## Waste Reduction and Resource Conservation

### Waste Reduction Measures

#### Reduction of Waste Generation

##### Total generation

Value in FY2004: 30,306 t

6.5% increase compared to the previous fiscal year;

14.1% decrease compared to fiscal 2000 levels

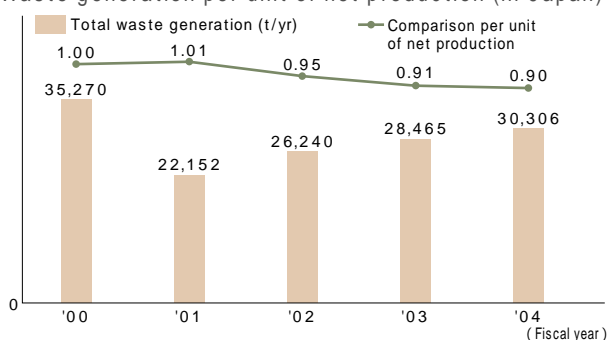
##### Waste generation per unit of net production (base year: FY2000)

Value in FY2004: 0.90

1% decrease compared to the previous fiscal year;

10% decrease compared to fiscal 2000 levels

Waste generation per unit of net production (in Japan)



### Resource Conservation Measures

#### Reducing Packaging Materials

##### Total amount of packaging materials used

Value in FY2004: 4,745 t

0.8% decrease compared to the previous fiscal year;

20.1% decrease compared to fiscal 2000 levels

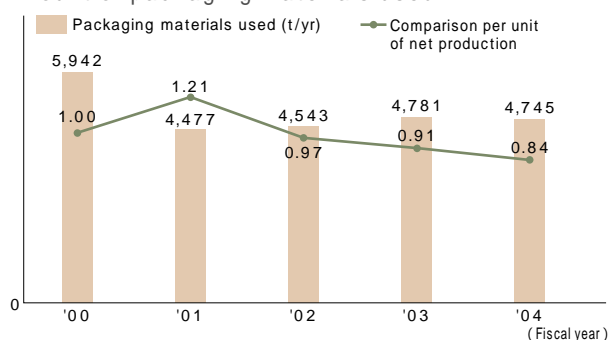
##### Packaging materials used per unit of net production (base year: FY2000)

Value in FY2004: 0.84

7% decrease compared to the previous fiscal year;

16% decrease compared to fiscal 2000 levels

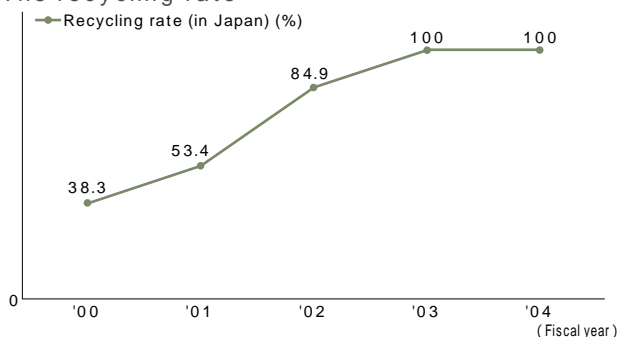
Amount of packaging materials used



### Promoting Recycling

To reduce the environmental impact of waste disposal to almost zero, Murata is promoting reuse and recycling and has adopted a zero-emissions target (defined as a 100% recycling rate and zero landfilling). As a result, Murata has succeeded in achieving zero emissions at 21 targeted plants and subsidiaries in Japan as of the end of March 2004.

The recycling rate



### Water Consumption

#### Total amount of water consumed

Value in FY2004: 8.103 million m<sup>3</sup>

2.7% increase compared to the previous fiscal year;

11.2% decrease compared to fiscal 2000 levels

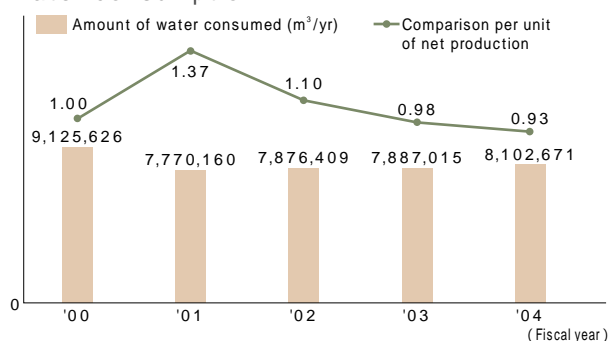
#### Water consumption per unit of net production (base year: FY2000)

Value in FY2004: 0.93

5% decrease compared to the previous fiscal year; 7%

decrease compared to fiscal 2000 levels

Water consumption



## Environmentally Hazardous Substances

### Voluntary Regulation of Chemical Substances

#### Voluntary Regulation Program for Environmentally Hazardous Substances in Products

Ranking		Target Substances	
Substances prohibited in products	Inclusion of these substances in products prohibited.	Asbestos Short-chained chlorinated paraffin Metal carbonyl Inorganic cyanogen compounds Mercury and its compounds Thallium and its compounds Nickel and its compounds (Nickel carbonyl) PBB Chlorine-based flame retardants Beryllium and its compounds (used for ceramics) Benzene Polychlorinated terphenyls (PCTs) Polychlorinated biphenyls (PCBs) Organotin compounds Heavy metals in packaging materials (Cd, Cr <sup>6+</sup> , Hg, Pb)	Azo compounds Cadmium and its compounds Hexavalent chromium compounds Acrylonitrile Dioxins and dibenzofuranes Lead and its compounds PBDEs Arsenic and its compounds (excl. semiconductors) Pentachlorophenol (PCP) Polychlorinated naphthalene (with 3 or more chlorine atoms) Formaldehyde Organophosphorus compounds
Substances to be reduced	Reduced content of these substances in products planned	Lead and its compounds (used in some ceramics, solders, etc.) Polyvinyl chloride (PVC) and its blends	Cobalt chloride in packaging materials
Substances in preparation for reduction	Content of these substances in products controlled, and voluntarily prepared for reduction	Chlorinated paraffin Ethylene glycol ethers and its acetates Xylene Bromine-based flame retardants Tellurium and its compounds Lead and its compounds (for some applications) Organic cyanogen compounds	Antimony trioxide Cobalt and its compounds Selenium and its compounds Toluene Arsenic and its compounds (semiconductor products) Foam polystyrene for packaging materials

#### Voluntary Regulation Program for Environmentally Hazardous Substances Used or Emitted in Production Processes

Ranking		Target Substances	
Prohibited	Any application prohibited	Asbestos Dioxins Trichloroethylene Benzene HCFCs Cadmium and its compounds (excl. resins) Mercury and its compounds Organic lead	Cadmium and its compounds (limited to resins) White lead Halon CFCs Acrylonitrile Arsenic and its compounds (excl. semiconductors) Hexavalent chromium compounds
Reduce emissions	Reduced emissions planned	Acetaldehyde Cyanide compounds Nickel sulfate Lead and its compounds (used in some ceramics, solders, etc.) Toluene PFCs	Chloroform Formaldehyde Xylene
Prepare to reduce emissions	Emissions controlled and voluntarily prepared for reduction	Zinc and its compounds Copper and its compounds Methyl ethyl ketone Lead and its compounds (used in some ceramics, glass, alloys, etc.) Arsenic and its compounds (application limited to semiconductors)	Chrome and its compounds Nickel powder

## Management of Substances to Be Subjected to PRTR

Pollutants Released and Transferred Subject to the PRTR Law (Total for Japan)

(Unit: t/year)

Gov't No.	Substance	Amount handled	Released				Transferred		
			To atmosphere	To public bodies of water	To soil	Landfilled	Released to sewerage	Transferred to waste	Transferred to recycling
16	Monoethanolamine	9.9	0.0	0.0	0.0	0.0	0.0	0.0	9.6
25	Antimony and its compounds	2.2	0.0	0.0	0.0	0.0	0.0	0.0	0.6
30	Bisphenol A liquid epoxy resin	38.0	0.0	0.0	0.0	0.0	0.0	0.0	3.3
40	Ethyl benzene	5.8	3.1	0.0	0.0	0.0	0.0	0.0	1.0
45	Ethylene glycol monomethyl ether	13.2	0.0	0.0	0.0	0.0	0.0	0.0	9.3
58	1-octanol	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.1
63	Xylene	65.4	3.6	0.0	0.0	0.0	0.0	0.0	39.6
64	Silver and its water-soluble compounds	106.5	0.0	0.0	0.0	0.0	0.0	0.0	6.2
68	Chromium and trivalent chromium compounds	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4
100	Cobalt and its compounds	2.3	0.0	0.0	0.0	0.0	0.0	0.0	0.3
177	Styrene	1.1	0.7	0.0	0.0	0.0	0.0	0.0	0.2
202	Tetrahydroxymethyl anhydrous phthalic acid	8.9	0.1	0.0	0.0	0.0	0.0	0.0	0.5
207	Water-soluble copper salts (excl. complex salts)	2.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
227	Toluene	2,347.5	26.4	0.0	0.0	0.0	0.0	0.0	294.4
230	Lead and its compounds	672.0	0.0	0.0	0.0	0.0	0.0	0.0	110.3
231	Nickel	526.5	0.0	0.0	0.0	0.0	0.0	0.0	79.7
232	Nickel compounds	187.5	0.0	0.0	0.0	0.0	0.0	0.0	31.6
242	Nonyl phenol	2.7	0.0	0.0	0.0	0.0	0.0	0.0	2.7
253	Hydrazine	486.6	0.0	0.0	0.0	0.0	0.0	0.0	182.5
270	Di-n-butyl phthalane	12.5	0.1	0.0	0.0	0.0	0.0	0.0	4.6
272	Bis-2-ethylhexyl phthalate	56.3	0.0	0.0	0.0	0.0	0.0	0.0	22.7
304	Boron and its compounds	25.3	0.0	0.0	0.0	0.0	0.0	0.0	22.1
310	Formaldehyde	9.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
311	Manganese and its compounds	18.3	0.0	0.0	0.0	0.0	0.0	0.0	4.4

\* The above data covers the period April 1, 2004 to March 31, 2005.

\* Amounts less than 100 kilograms are rounded up.

## Environmentally Hazardous Substances

## State of Groundwater Remediation

(Unit: mg/ℓ)

Substance (Environment Standard Value)	Trichloroethylene (0.03 max.)		Cis-1,2-dichloroethylene (0.04 max.)		Remarks
	FY2003	FY2004	FY2003	FY2004	
Plants and Subsidiaries					
Murata Manufacturing Co., Ltd., Nagaoka Plant	0.047	0.027	N.D.	N.D.	
Fukui Murata Manufacturing Co., Ltd., Takefu Plant	0.013	0.010	-	-	
Fukui Murata Manufacturing Co., Ltd., Shirayama Plant	0.373	1.241	0.230	0.390	
Fukui Murata Manufacturing Co., Ltd., Miyazaki Plant	1.375	0.810	0.273	0.151	
Asuwa Electronics Industries, Ltd.	0.098	0.130	1.139	1.298	
Iwami Murata Manufacturing Co., Ltd.	0.194	0.223	1.108	1.194	
Wakura Murata Manufacturing Co., Ltd.	N.D.	N.D.	-	-	In preparation for completion of remediation
Himi Murata Manufacturing Co., Ltd.	N.D.	N.D.	N.D.	N.D.	
Kanazu Murata Manufacturing Co., Ltd., Kanazu Plant	N.D.	N.D.	-	-	Cleanup completed
Kanazu Murata Manufacturing Co., Ltd., Natsume Plant	0.117	0.112	0.123	0.162	
Hakui Murata Manufacturing Co., Ltd.	0.027	N.D.	0.111	0.105	
Hakui Murata Manufacturing Co., Ltd., Togi Plant	0.178	0.146	0.251	0.253	
Toyama Murata Manufacturing Co., Ltd.	N.D.	N.D.	-	-	Cleanup completed
Murata Electronics North America State College Operation	Trichloroethylene (0.05 max.)		Cis-1,2-dichloroethylene (0.07 max.)		
	0.017	0.014	0.030	0.037	

(1) Data are average values from April 2003 to March 2004 and from April 2004 to March 2005.

(2) Data show the average values for downstream groundwater in all wells drilled along the border of a site.

(3) We established the apprehended area in order to prevent migration of pollutants beyond the site, and are undertaking remediation efforts.

(4) "N.D. (Not detectable)" means the measured quantity is below the lower limit of detection.

(5) "-" indicates that the site is deemed free from contamination.

## History of Environmental Preservation Activities

Month/Year	Event(s)
1989	Voluntary policy is adopted to eliminate ozone-depleting substances (designated CFCs and 1,1,1-trichloroethane).
	Project to eliminate ozone-depleting substances is initiated.
1991	Survey of soil and groundwater contamination is initiated.
1993	Elimination of ozone-depleting substances (1,1,1-trichloroethane and designated CFCs) is achieved.
	Voluntary policy is adopted to eliminate chlorine-based organic solvents (trichloroethylene, tetrachloroethylene, and dichloromethane).
1994	Murata Environment Committee is established.
1995	The Murata Environmental Charter is adopted (First Environmental Action Plan).
	The Environmental Management Department is established in the Head Office.
	The Lead-free Solder Project is launched.
	Elimination of chlorine-based organic solvents (trichloroethylene and tetrachloroethylene) and hydrochlorofluorocarbons (HCFCs) is achieved.
1996	Voluntary regulation program is adopted to reduce environmentally hazardous substances contained in products.
1997	Taiwan Murata Electronics Co., Ltd. becomes the first member of the Murata Group to acquire ISO 14001 certification.
	Voluntary regulation program is adopted to reduce emissions of environmentally hazardous chemical substances from manufacturing processes.
	In-house courses are introduced for training of internal environmental auditors.
1998	Use of chlorine-based organic solvent (trichloroethylene) is discontinued, representing achievement of the objective of the voluntary policy adopted in 1993.
	All discarded paper in Japan is recycled, enabling the use of waste incinerators to be discontinued.
	A special feature on Environment Month is published in the company journal.
1999	Life cycle assessment (LCA) guidelines are adopted.
	A cogeneration system begins operation at the Yasu Plant.
	Soil pollution control standards are established. Upgrading of existing equipment is initiated.
	A chemical substance inspection and registration system is introduced.
2000	Production bases inside and outside Japan achieve ISO 14001 certification.
2001	A composting system is introduced for raw food wastes from company dining facilities in Japan.
	The Murata Environmental Charter is revised (Second Environmental Action Plan).
	The Green Procurement Guide is issued and the green procurement policy implemented.
2002	Existing equipment in Japan is upgraded to meet soil pollution control standards.
	Inaugural Environmental Report is issued.
2003 April July October	Construction begins on new head office designed on the concept of an eco-friendly office building. Efforts are made to ensure that a zero-emissions policy is applied to construction waste from the new construction.
	Product assessment system is introduced.
	Environmental cost management (environmental accounting) system is introduced.
2004 March April September	Zero-emissions objective is achieved in Japan.
	The Murata Environmental Charter is revised (Third Environmental Action Plan).
	The new head office designed with the concept of an eco-friendly office building is completed.
	Zero emissions are achieved in construction of the new head office building.

## Customers

### Sites with ISO 9001, QS 9000 or ISO/TS 16949 Certification

Major Accredited Production Plants inside and outside Japan (as of March 2005)

Plant	Target Standard	Date Accredited
Asuwa Electronics Industries, Ltd.	ISO9001	1992.11.25
Komatsu Murata Manufacturing Co., Ltd.	ISO9001	1993.02.03
Wakura Murata Manufacturing Co., Ltd.	ISO9001	1993.04.28
Ogaki Murata Manufacturing Co., Ltd.	ISO9001	1993.12.01
	QS9000	2000.12.15
Murata Manufacturing Co., Ltd., Yasu Plant, Chemical Material Production Dept.	ISO9001	1995.06.19
Anamizu Electronics Industries, Ltd.	ISO9001	1995.07.28
Toyama Murata Manufacturing Co., Ltd.	ISO9001	1996.12.16
	TS16949	2003.08.12
Fukui Murata Manufacturing Co., Ltd. (incl. Miyazaki Plant)	ISO9001	1997.04.02
Izumo Murata Manufacturing Co., Ltd.	ISO9001	1997.07.25
	QS9000	
Sabae Murata Manufacturing Co., Ltd.	ISO9001	1997.08.14
	TS16949	2004.08.02
Murata Manufacturing Co., Ltd., Yasu Plant, Components Division 3, Semiconductor Product Dept.	ISO9001	1997.10.21
Azumi Murata Manufacturing Co., Ltd.	ISO9001	1997.11.06
	QS9000	
Himi Murata Manufacturing Co., Ltd.	ISO9001	1997.12.01
	TS16949	2004.11.12
Murata Manufacturing Co., Ltd., Yokaichi Plant	ISO9001	1998.03.31
	TS16949	2005.02.16
Kanazawa Murata Manufacturing Co., Ltd. (incl. Nishikanazawa Plant)	ISO9001	1998.04.16
	TS16949	2005.02.17
Okayama Murata Manufacturing Co., Ltd.	ISO9001	1998.07.01
Kanazu Murata Manufacturing Co., Ltd. (incl. Natsume Plant)	ISO9001	1998.07.01
Hakui Murata Manufacturing Co., Ltd.	ISO9001	1999.02.11
	TS16949	2005.02.14
Iwami Murata Electronics Co., Ltd.	QS9000	1999.03.29
Tome Murata Electronics Co., Ltd.	ISO9001	2002.06.10
Fukui Murata Manufacturing Co., Ltd., Takefu Plant	TS16949	2003.09.25
Fukui Murata Manufacturing Co., Ltd., Miyazaki Plant	TS16949	2003.09.25
Murata Electronics (UK) Limited	ISO9001	1992.10.27
Murata Electronics B.V. (Netherlands)	QS9000/ISO9001	1992.12.01
Murata Elektronik Handels GmbH (Germany)	ISO9001	1993.04.15
Murata Electronique S.A. (France)	ISO9001	1993.04.15
Murata Elettronica S.p.A. (Italy)	ISO9001	1993.04.23
Murata Electronics Switzerland AG	ISO9001	1993.06.15
Murata Amazônia Indústria E Comércio Ltda. (Brazil)	ISO9001	1998.07.28
Taiwan Murata Electronics Co., Ltd.	ISO9001	1993.11.26
Murata Electronics (Malaysia) Sdn. Bhd.	ISO9001	1997.02.28
Murata Electronics (Thailand), Ltd.	ISO9001	1998.03.17
	TS16949	2005.02.17
Murata Electronics North America, Inc. (Smyrna, GA)	ISO9001	1998.09.11
Beijing Murata Electronics Co., Ltd. (China)	ISO9001	1998.12.10
Wuxi Murata Electronics Co., Ltd. (China)	ISO9001	1999.05.12
	TS16949	2004.12.10
Murata Electronics Singapore (Pte.) Ltd.	ISO9001	1999.11.03
	ISO/TS16949	2003.09.30
Suzhou Murata Electronics Co., Ltd. (China)	ISO9001	2003.08.02

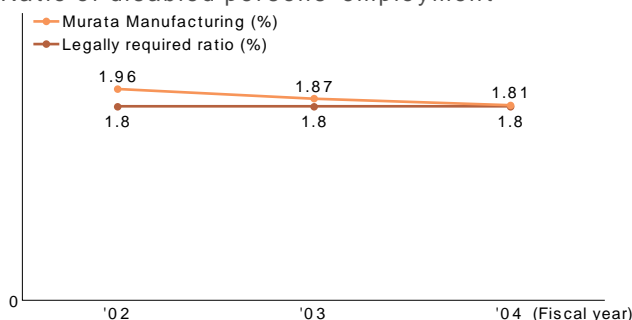
## Employees / Society and Local Communities

### Employment of Disabled Persons

The ratio of disabled persons' employment at Murata is more than 1.8%, the legally prescribed employment rate of the disabled\*. Murata has thus been providing the disabled with opportunities for social participation.

\* The employment ratio of disabled persons to the total number of employees

#### Ratio of disabled persons' employment

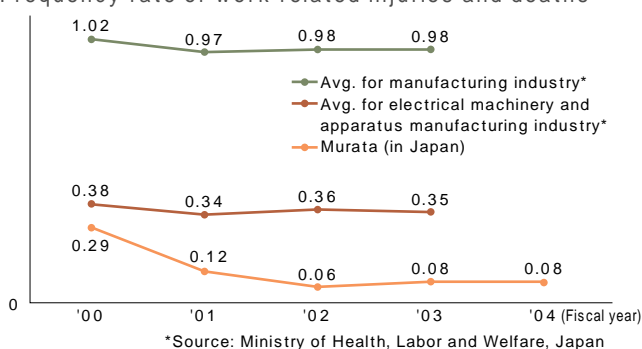


### Occupational Health and Safety

Murata's frequency rate\* for work-related injuries and deaths is lower than the average for the manufacturing industry in Japan. Also, Murata's severity rate, which is a measure of the seriousness of work-related accidents, is significantly low, showing our company's high safety level.

\* The frequency of accidents expressed as the number of work-related injuries and deaths per million working hours.

#### Frequency rate of work-related injuries and deaths



### Supporting Employees in Juggling both Work and Family

There are an increasing number of employees who use maternity and childcare leaves in order to juggle both work and family and still advance their careers.

Employees who took childcare/family care leaves (Murata in Japan)  
(Unit: Persons, %)

System name	FY2002	FY2003	FY2004
Family care leave	4	11	13
Leave after childbirth	197	203	171
Childcare leave (Figure in parentheses indicates the rate of leave-taking*)	191 (97%)	189 (93%)	162 (95%)
Employees who left the company due to childbirth	7	19	12

\* During fiscal 2004, of 183 female employees who delivered babies, 12 left the company because of childbirth. Of the remaining 171 employees, 162 (95%) used the childcare leave system.

### Re-employment System

Murata provides the employees who resigned upon reaching the mandatory retirement age with a place to work again, and makes use of their know-how and skills.

Employees who were re-employed (Unit: Persons)

System name	FY2002	FY2003	FY2004
Re-employment system	7	17	13

### Support for Reconstruction of Disaster-stricken Areas

During fiscal 2004, many natural disasters occurred in various parts of the world, and many people suffered damage. Murata, which has its operation sites in Fukui and Kyoto Prefectures in Japan, and overseas subsidiaries in Thailand, Malaysia and Singapore, made donations and sent monetary gifts as tokens of sympathy to support the local victims of the disasters, including the Sumatra earthquake and tsunami, in hopes for the earliest possible reconstruction of the afflicted areas.

As well, Murata made monetary donations to victims of the Niigata Chuetsu Earthquake, which caused severe damage.

#### Donations for disaster victims

Month/Year	Description	Amount
July 2004	Monetary gift to northern part of Fukui Prefecture, Japan, hit by torrential rainstorm	¥10 million
November 2004	Monetary donations to aid victims of Typhoon #23 that hit the northern part of Kyoto Prefecture, Japan	¥1 million
November 2004	Monetary donations to aid victims of Niigata Chuetsu Earthquake, Japan	¥1 million
January 2005	Monetary relief for victims of the Sumatra Earthquake and Indian Ocean tsunami disaster*	¥12.59 million

\*Breakdown of monetary relief for victims of the Sumatra Earthquake and tsunami  
Murata Electronics (Malaysia) Sdn. Bhd. ¥480,000  
Murata Electronics Singapore (Pte.) Ltd. ¥770,000  
Murata Electronics (Thailand) Ltd. ¥1,340,000  
Murata Manufacturing Co., Ltd. ¥10,000,000

## Financial Indicators

### Performances

#### Sales by Area

By area, our sales have substantially increased in Asia and other regions, particularly in China and South Korea. Murata has taken measures to respond to the shift of production bases by electronic equipment manufacturers, who are Murata's customers, to the Asian region.

#### Sales by Application

By application, in response to the widespread use of mobile phones and short-range radio communications equipment, "communications" accounts for approximately 40% of sales. In the fields of computers, which are characterized by increasingly sophisticated functions, and automotive electronics, which have been increasingly enhanced, the demands for electronic components have been increasing, thereby causing our sales to steadily grow.

### Investments

#### R&D Investments and Ratio of R&D Investments to Net Sales

Murata continues to invest generously in R&D. We have invested 6 to 7% of our net sales in R&D, maintaining our ratio of R&D expenses at a high level as an electronic components manufacturer. To meet the needs of customers and the market, we continue to develop state-of-the-art technologies and products.

#### Capital Investments

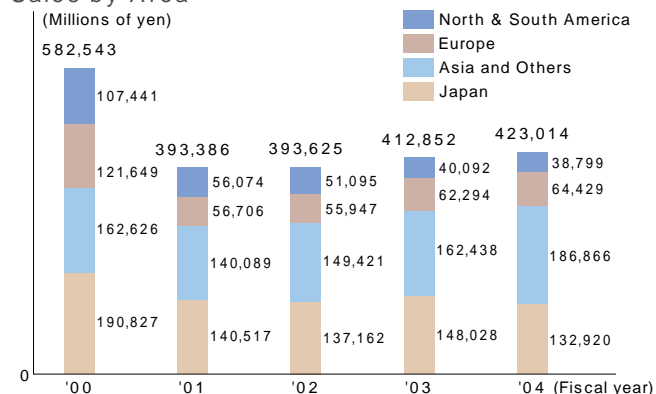
In fiscal 2004, we made capital investments of ¥48,033 million. In the future, we will continue capital investments with the aim of reducing product costs and expanding demand for new products, in both medium- and long-term perspectives.

### Other Financial Data

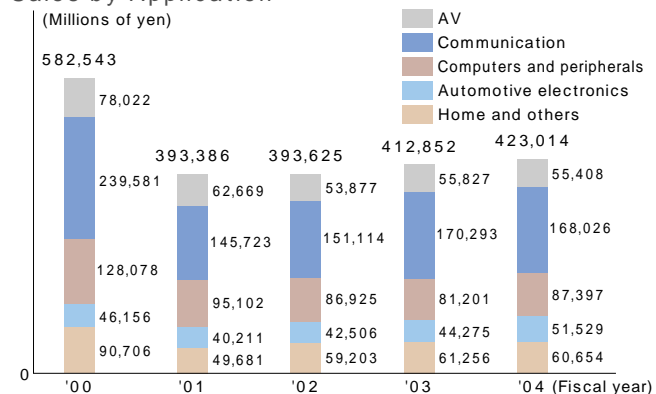
	FY2000	FY2001	FY2002	FY2003	FY2004
Net Sales (Millions of yen)	584,011	394,775	394,955	414,247	424,468
Operating Income (Millions of yen)	174,248	51,001	59,187	74,210	69,515
Income before Income Taxes (Millions of yen)	173,925	52,408	59,094	78,685	72,905
Net Income (Millions of yen)	104,927	34,999	39,467	48,540	46,578
Total Assets (Millions of yen)	876,836	839,372	834,313	844,115	850,748
Shareholders' Equity (Millions of yen)	696,403	726,236	692,090	700,937	712,309
Shareholders' Equity Ratio (%)	79.4	86.5	83.0	83.0	83.7
Return on Equity (ROE) (%)	16.4	4.9	5.6	7.0	6.6
Shareholders' Equity per Share (Yen)	2,870.51	2,973.22	2,939.41	3,052.25	3,169.82

\*Amounts presented on the consolidated statement are rounded off to the nearest million yen.

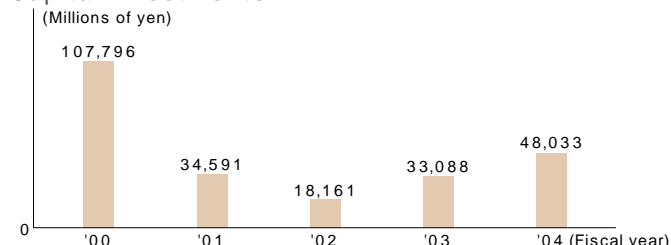
#### Sales by Area



#### Sales by Application



#### Capital Investments



## Comparison with GRI Guidelines

The Global Reporting Initiative (GRI) was launched in 1997 as a joint initiative of the U.S. non-governmental organization Coalition for Environmentally Responsible Economies (CERES) and the United Nations Environment Programme (UNEP), with the goal of enhancing the quality, rigor, and utility of sustainability reporting.

The GRI guidelines are a framework for reporting on an organization's sustainability performance, which can be applied worldwide, and created by opinions from a variety of stakeholders, including businesses, non-profit advocacy groups, accounting bodies, investor organizations, trade unions, and many more.

Sustainability Reporting Guidelines 2002 ► <http://www.globalreporting.org/guidelines/2002.asp>

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<b>Organizational Profile</b>		
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<b>Environmental Performance Indicators</b>			
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\*PD: Performance Data



**Murata Manufacturing Co., Ltd.**