

August 27, 2009

Company: Murata Manufacturing Co., Ltd.  
Exchange Listing: 6981 (TSE1, OSE1)  
Location of head office: 1-10-1, Higashikotari, Nagaokakyo-shi, Kyoto  
President/ Statutory Representative Director: Tsuneo Murata  
Contact: Yukio Oshima, Corporate Communications Department  
Telephone: +81-75-955-6786/ FAX: +81-75-955-6526  
URL: <http://www.murata.com>

Company: Tokyo Denpa Co., Ltd. (TEW)  
Exchange Listing: The First Section of the Tokyo Stock Exchange  
Location of head office: 5-6-11 Chuo, Ohta-ku, Tokyo  
President: Kazunori Hashiguchi  
General Affairs Department : Kiyooki Tanida  
Telephone: +81-3-3751-6172/FAX: 81-3-3753-3977  
URL: <http://www.tew.co.jp/index.html>

## **Murata Manufacturing Co., Ltd., to Form Capital and Business Partnership with TOKYO DENPA CO.,LTD.**

Murata Manufacturing Co., Ltd., and TOKYO DENPA CO.,LTD. have made a resolution for the two companies to form a capital and business partnership, and closed the agreement. The details are below:

### **1. Purpose of forming a capital and business partnership**

Murata combines its own material technology and production technology based mainly on the electric properties of ceramics. TOKYO DENPA promotes the production of smaller, lower-profile and high-precision quartz crystal products utilizing synthetic quartz crystal manufacturing technology and quartz crystal processing and mounting technology.

Murata and TOKYO DENPA have been in a long-term collaborating relationship where Murata incorporates quartz crystal products developed and produced by TOKYO DENPA as key components for its products. Furthermore, Murata and TOKYO DENPA recently developed a quartz crystal resonator together, the Hybrid Crystal Resonator (HCR). The HCR is more reasonably priced than conventional quartz crystal resonators and offers higher frequency precision than ceramic resonators. Murata formed a business partnership with TOKYO DENPA in producing and selling of HCR® using quartz crystal elements provided by TOKYO DENPA.

The two companies have further developed their existing collaborative relationship based on this capital and business partnership, strengthening a system to promptly provide products produced with high added values to each of their customers. This is a result of hybridizing Murata and company TOKYO DENPA's strengths, and re-elevating both companies' corporate values.

## 2. Details of the capital and business partnership

Murata and TOKYO DENPA have formed a basic agreement to collaborate mutually in terms of the development of HCR® and its next generation products, as well as the product's marketing and other related tasks, etc.

- (1) In terms of the HCR jointly developed by the two companies, TOKYO DENPA will continue to provide a stable supply of its quartz crystal elements to Murata, and the two companies will mutually collaborate to improve quality and cost considerations related to production.
- (2) The two companies will jointly develop high added-value next generation products to the HCR® such as smaller models and higher frequency-precision models, and collaborate to construct production/sales systems.
- (3) The two companies will collaborate to develop, produce and sell products that will fulfill new customer needs discovered through their joint marketing activities.

### [Issuance of new shares through third-party allocation]

|   |  |  |
|---|--|--|
| ① | Number of new shares issued                    | Common shares 1,000,000                                    |
| ② | Issue price                                    | 664 yen per share  |
| ③ | Total issue price                              | 664,000,000yen   |
| ④ | Period of application                          | Monday September 7, 2009 through Monday September 14, 2009 |
| ⑤ | Payment due                                    | Tuesday September 15, 2009                                 |
| ⑥ | Allocated party and number of shares allocated | Murata 1,000,000 shares                                    |

## 3. Company overview (as of March 31, 2009, Consolidated basis)

|                          |  |  |
|--------------------------|--|--|
| (1) Trade Name           | Murata Manufacturing Co., Ltd.   | TOKYO DENPA CO.,LTD.   |
| (2) Main Businesses      | R&D, production and sales of electronic devices based on functional ceramics | Manufacturing and sales of quartz crystal units, quartz crystal resonators, synthetic quartz crystals, electronic equipment and zinc oxide single crystals |
| (3) Head Office Location | 1-10-1 Higashi-Kotari, Nagaokakyo, Kyoto                                     | 5-6-11 Chuo, Ohta-ku, Tokyo  |
| (4) Capital              | 69,377 million yen   | 3,371 million yen  |
| (5) Number of Employees  | 33,431   | 719  |

#### **4. Capital usage**

The capital TOKYO DENPA raises from Murata through the issuance of new shares will be mainly used as a product development fund and a capital investment fund for products relating to this capital and business partnership. If some excess capital remains, it will be used for R&D, capital investment, and enhancing financial strengths for other businesses.

#### **5. Contribution to the performance of both companies**

Murata believes this partnership will result in middle- to long-term improvement of corporate values, shareholder values and corporate performance through the aggressive promotion of business deployment based on the enhanced business partnership, and strengthening, fulfillment and development of joint businesses for both companies.

We plan to make timely reports with regard to the contribution by this partnership to the performance this term as we proceed with the joint businesses.