

Consolidated Financial Flash Report (December 31, 2010)

Date: January 31, 2011

Company Name : Murata Manufacturing Co., Ltd.
Listing Code : 6981
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Stock Exchange Listings:
Tokyo Stock Exchange
Osaka Securities Exchange
Stock Exchange of Singapore

1. Consolidated financial results for the nine months ended December 31, 2010

(1) Operating results

	Net sales		Operating income		Income before income taxes		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2010	472,573	19.5	65,179	274.6	67,368	192.1	43,804	212.1
Nine months ended December 31, 2009	395,501	(8.2)	17,400	(27.1)	23,067	(26.8)	14,035	(20.8)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2010	204.09	204.09
Nine months ended December 31, 2009	65.39	65.39

* Percentages in the fields of Net sales, Operating income, Income before income taxes, and Net income are the growth ratios against the same period of the previous fiscal year.

*The Companies' "Net income" is computed in the same method as "Net income attributable to the Company's shareholders" under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 810, "Consolidation" in the United States of America.

(2) Financial position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2010	963,796	811,634	84.2	3,781.61
As of March 31, 2010	928,790	800,857	86.2	3,731.34

2. Dividends (Year ended March 31, 2010 and the year ending March 31, 2011)

	Cash dividends per share				
	First Quarter	Second Quarter	Third Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2010	-	35.00	-	35.00	70.00
2011	-	50.00	-	50.00	100.00
2011 (Projected)				50.00	100.00

*No change in the projected dividends during the three months ended December 31, 2010.

3. Projected financial results for the year ending March 31, 2011 (Consolidated basis)

	Net sales		Operating income		Income before income taxes		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending March 31, 2011	620,000	16.8	82,000	206.8	85,000	145.3	55,500	124.2	258.59

*Projected financial results have been revised during the three months ended December 31, 2010.

Percentages for the year ending March 31, 2011 are the growth ratio against the previous year.

4. Other

(1) Changes in significant subsidiaries during the three months ended December 31, 2010 (changes in specific subsidiaries that caused change in scope of consolidation) : None

(2) Adoption of simplified and specifically applied accounting method

The Company adopted accounting method specifically applied for quarterly consolidated financial reporting.

*See "Business Results and Financial Position - 4. Other" for more detailed information.

(3) Changes in accounting principle, method and representation

Changes due to adoption of new accounting standard: None

Changes due to reasons other than above: None

(4) Number of common shares outstanding

Number of shares outstanding including treasury stock: 225,263,592 shares as of December 31, 2010 and as of March 31, 2010

Number of treasury stock: 10,636,848 shares as of December 31, 2010 and 10,633,763 shares as of March 31, 2010

Average number of shares outstanding: 214,629,006 shares for the nine months ended December 31, 2010 and 214,631,812 shares for the nine months ended December 31, 2009

(Reference) Projected financial results for the year ending March 31, 2011 (Parent Co. basis)

	Net sales		Operating income		Income before income taxes and extraordinary items		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending March 31, 2011	545,000	18.6	19,000	135.1	30,000	61.3	24,000	47.1	111.82

*Projected financial results have been revised during the three months ended December 31, 2010.

Percentages for the year ending March 31, 2011 are the growth ratio against the previous year.

*Notes to the projected financial results

The above projections were prepared based on estimates using information currently available.

Actual results may differ from the projections. For assumptions and other information regarding the projections, refer to "Business Results and Financial Position".

Business Results and Financial Position

(from April 1, 2010 through December 31, 2010)

1. Business Results

(1) General Overview

During the nine-month period under review, the global electronics market overall continued to be strong, thanks to demand expansion in the mobile phone market driven by an increase in new subscribers in emerging countries and shorter replacement cycles in developed countries with strong demand for smartphones, while demand growth in the market of PCs and TVs slowed down mainly because of an adverse impact from the euro-zone's sovereign-debt problems.

In the market of electronic components, demand for mobile phones grew greatly owing to an increased number of handsets and a rapid expansion of demand for smartphones, which incorporate a larger number of components. Although there was an adjustment in final demand, demand for electronic components used in PCs and TVs maintained steady growth, driven by the spread of new applications that incorporate more components, such as a new MPU platform for notebook PCs, LED-backlit LCD TVs and new mobile wireless devices including tablet PCs.

Under these market environments, the Company has continued to maintain a high level of capacity utilization through measures such as operating on holidays in response to demand expansion. It has also increased the production capacity through productivity improvement and capital investment for boosting sales volume. Aiming at improving profitability, it has implemented cost reduction measures such as the streamlining of the manufacturing processes to cope with price decline and the appreciation of the yen.

(2) Consolidated Results Overview

As a result, the Company's business results for the period under review are as follows.

	Millions of yen					
	Nine months ended December 31, 2009		Nine months ended December 31, 2010		Growth	
		%*		%*		%
Net sales	395,501	100.0	472,573	100.0	77,072	19.5
Operating income	17,400	4.4	65,179	13.8	47,779	274.6
Income before income taxes	23,067	5.8	67,368	14.3	44,301	192.1
Net income	14,035	3.5	43,804	9.3	29,769	212.1
Average exchange rates (Yen/U.S. dollar)	93.57	-	86.85	-	(6.72)	-
Average exchange rates (Yen/EURO)	133.00	-	113.31	-	(19.69)	-

*Ratio to net sales

Net sales for the nine-month period under review increased to 472,573 million yen, up 19.5% from the nine months ended December 31, 2009. Operating income was 65,179 million yen, up 274.6%, income before income taxes was 67,368 million yen, up 192.1%, and net income was 43,804 million yen, up 212.1%, from the same period of 2009. The primary factors for the profitability improvement were a rise in capacity utilization and comprehensive cost reductions that exceeded negative factors such as price decline and the appreciation of the yen, whose average rate against the U.S. dollar rose by 6.72 yen from the same period of the previous year. Operating income margin was sharply improved to 13.8% from 4.4% for the same period of 2009.

(3) Sales by Product Category

Net sales by product category for the nine-month period under review are as follows.

	Millions of yen					
	Nine months ended December 31, 2009		Nine months ended December 31, 2010		Growth	
		%*		%*		%
Capacitors	130,878	33.2	167,881	35.7	37,003	28.3
Piezoelectric Components	60,890	15.5	66,182	14.0	5,292	8.7
Other Components	72,166	18.3	89,124	18.9	16,958	23.5
Components Total	263,934	67.0	323,187	68.6	59,253	22.4
Communication Modules	96,134	24.4	107,704	22.9	11,570	12.0
Power Supplies and Other Modules	33,967	8.6	39,908	8.5	5,941	17.5
Modules Total	130,101	33.0	147,612	31.4	17,511	13.5
Net sales	394,035	100.0	470,799	100.0	76,764	19.5

*Component ratio

<Components>

Sales of Components for the period under review increased by 22.4% year-on-year to 323,187 million yen.

[Capacitors]

The Capacitors category includes multilayer ceramic capacitors.

For the period under review, sales of chip multilayer ceramic capacitors, the main product in this category, grew significantly both in terms of quantity and value, thanks to production growth of electronic devices, increased number of components per device, and improvement of a product mix through growing demand for ultra-compact and high-capacitance capacitors.

As a result, overall net sales increased by 28.3% year-on-year to 167,881 million yen.

[Piezoelectric Components]

The Piezoelectric Components category includes SAW (surface acoustic wave) filters, ceramic resonators, piezoelectric sensors and ceramic filters.

For the period under review, sales of SAW filters increased greatly both in terms of quantity and value, owing to growing production of mobile phones and data cards, and increased number of components per device with the spread of multi-band mobile devices. Sales of ceramic resonators rose significantly for all applications including automotive electronics. Piezoelectric sensors attained large growth in sales of shock sensors for hard disk drives and TPMS (Tire Pressure Monitoring System), and ultrasonic sensors for back sonar. Sales of ceramic filters greatly increased especially for use in communication devices, and computers and peripheral devices. Sales of piezoelectric actuators rose largely for fuel injection systems of automobile diesel engines in the European market.

As a result, overall net sales increased by 8.7% year-on-year to 66,182 million yen.

[Other Components]

Other Components include EMI (electro-magnetic interference) suppression filters, inductors (coils), thermistors, connectors, sensors and isolators.

For the period under review, sales of EMI suppression filters increased significantly mainly for use in communication devices, computers and peripheral devices, and automotive electronics owing to production growth in key electronic devices. Inductors (coils) showed sharp increase in sales for all applications. Sales of connectors grew greatly for mobile phones, and sales of thermistors rose considerably for home appliances, smartphones and notebook PCs. Sales of gyroscopes expanded significantly for use in toy products and car navigation systems. On the other hand, sales of isolators for use in mobile phones slowed down.

As a result, overall net sales increased by 23.5% year-on-year to 89,124 million yen.

<Modules>

Sales of Modules for the period under review increased by 13.5% year-on-year to 147,612 million yen.

[Communication Modules]

The Communication Modules category includes short-range wireless communication modules, multilayer ceramic devices and circuit modules.

For the period under review, sales of wireless LAN modules in the short-range wireless communication modules category grew largely especially for smartphones. On the other hand, multilayer ceramic devices and circuit modules for mobile phones decreased in sales.

As a result, overall net sales posted a year-on-year increase of 12.0% to 107,704 million yen.

[Power Supplies and Other Modules]

This product category includes power supplies.

Sales of power supplies for use in computers and peripheral devices increased largely.

As a result, overall net sales posted a year-on-year rise of 17.5% to 39,908 million yen.

2. Financial Position

Liquidity in hand (cash, short-term investments, available-for-sale securities (government and private debt securities) and long-term deposits) as of December 31, 2010 increased by 11,493 million yen from March 31, 2010 to 372,335 million yen. Trade accounts receivable increased by 17,335 million yen to 127,277 million yen and inventories increased by 14,504 million yen to 103,720 million yen, owing to robust sales. As a result, total assets as of December 31, 2010 increased by 35,006 million yen from the end of the previous fiscal year to 963,796 million yen. The ratio of shareholders' equity to total assets decreased by 2.0 percentage points from the end of the previous fiscal year to 84.2% as of December 31, 2010.

Cash flows for the period under review are as follows.

	Millions of yen		
	Nine months ended December 31, 2009	Nine months ended December 31, 2010	Difference
Operating activities	70,047	68,042	(2,005)
Investing activities	(60,530)	(85,211)	(24,681)
Financing activities	(22,956)	(15,217)	7,739
Effect of exchange rate changes on cash and cash equivalents	234	(2,789)	(3,023)
Net decrease in cash and cash equivalents	(13,205)	(35,175)	(21,970)

< Net Cash Provided by Operating Activities >

For the period under review, net cash provided by operating activities was 68,042 million yen. As for the details, net income, a major source of operating cash flows, was 43,804 million yen, depreciation and amortization were 44,994 million yen, while trade notes and accounts receivable increased by 25,153 million yen.

Net cash provided by operating activities decreased by 2,005 million yen from the nine months ended December 31, 2009.

< Net Cash Used in Investing Activities >

For the period under review, net cash used in investing activities was 85,211 million yen. While cash inflows from maturities and sales of marketable securities, investments and other were 37,441 million yen, cash outflows from payment for purchases of marketable securities, investments and other were 92,231 million yen and those from capital expenditures were 37,021 million yen.

Net cash used in investing activities increased by 24,681 million yen from the nine months ended December 31, 2009.

< Net Cash Used in Financing Activities >

For the period under review, net cash used in financing activities was 15,217 million yen

mainly owing to 18,243 million yen of dividends paid.

Net cash used in financing activities decreased by 7,739 million yen from the nine months ended December 31, 2009.

3. Projected Results for the Year Ending March 31, 2011

In the three months ending March 31, 2011, the global electronics market is expected to experience continued steady growth mainly driven by strong demand for smartphones in the mobile phone market, while demand recovery for the PC and TV markets is not expected to be strong. The company will continue to maintain a high level of capacity utilization for the fourth quarter of this fiscal year, because of a high level of order backlog and continued demand expansion, thanks to production growth of electronic devices and increased number of components per device mainly in the mobile phone market. As a result, the company has revised upward its consolidated forecast for the year ending March 31, 2011, which was announced on October 29, 2010, as listed below. The forecast on the parent company basis has also been revised as listed below because of the same outlook as that on a consolidated basis.

The projections are based on the assumed exchange rates of 82 yen against the U.S. dollar and 108 yen against the Euro for the fourth quarter of this fiscal year.

The projection for the capital investment is unchanged from the projection of 52,000 million yen, which was announced on October 29, 2010.

Projected Results for the Year Ending March 31, 2011

		Consolidated Basis		Parent Co. Basis	
		Previous Projections Announced in October 29, 2010	Revised Projections	Previous Projections Announced in October 29, 2010	Revised Projections
Net sales	Millions of yen	615,000	620,000	530,000	545,000
	<math>\%>^2	<math><12.7>	<math><13.2>	<math><3.2>	<math><3.5>
Operating income	Millions of yen	78,000	82,000	17,000	19,000
Income before income taxes (and extraordinary items) *1	<math>\%>^2	<math><13.2>	<math><13.7>	<math><5.5>	<math><5.5>
	Millions of yen	81,000	85,000	29,000	30,000
Net income	<math>\%>^2	<math><8.6>	<math><9.0>	<math><4.5>	<math><4.4>
	Millions of yen	53,000	55,500	24,000	24,000
Capital expenditures	Millions of yen	52,000	52,000	9,000	9,000

*1 Consolidated Basis: Income before income taxes, Parent Co. Basis: Income before income taxes and extraordinary items

*2 Ratio to net sales

*3 Assumed exchange rates for the three months ending March 31, 2011: JPY82/USD, JPY108/EUR

[Cautionary Statement on Forward-looking Statements]

This report contains forward-looking statements concerning Murata Manufacturing Co., Ltd. and its Group companies' projections, plans, policies, strategies, schedules, and decisions. These forward-looking statements are not historical facts; rather, they represent the assumptions of the Murata Group based on information currently available and certain assumptions we deem as reasonable. Actual results may differ materially from expectations due to various risks and uncertainties. Readers are therefore requested not to rely on these forward-looking statements as the sole basis for evaluating the Group. The Company has no obligation to revise any of the forward-looking statements as a result of new information, future events or otherwise.

Risks and uncertainties that may affect actual results include, but are not limited to, the following: (1) economic conditions of the Company's business environment, and trends, supply-demand balance, and price fluctuations in the markets for electronic equipment and components; (2) price fluctuations and insufficient supply of raw materials; (3) exchange rate fluctuations; (4) the Group's ability to provide a stable supply of new products that are compatible with the rapid technical innovation of the electronic components market and to continue to design and develop products and services that satisfy customers; (5) changes in the market value of the Group's financial assets; (6) drastic legal, political, and social changes in the Group's business environment; and (7) other uncertainties and contingencies.

4. Other

- (1) Changes in significant subsidiaries during the three months ended December 31, 2010
(changes in specific subsidiaries that caused change in scope of consolidation)

None

- (2) Adoption of simplified and specifically applied accounting method

Income tax expense for the nine months ended December 31, 2010 was calculated using reasonably estimated annual effective tax rate for this fiscal year including this period.

- (3) Changes in accounting principle, method and representation

None

Consolidated Balance Sheets (Unaudited)
Murata Manufacturing Co., Ltd. and Subsidiaries

(1) Consolidated Balance Sheets (Assets)

As of December 31, 2010 and March 31, 2010

	Millions of Yen			
	As of December 31, 2010		As of March 31, 2010	
		%		%
Assets	963,796	100.0	928,790	100.0
Current assets	400,737	41.6	388,141	41.8
Cash	58,483		66,688	
Short-term investments	24,598		63,986	
Marketable securities	58,836		32,793	
Trade notes receivable	1,621		2,088	
Trade accounts receivable	127,277		109,942	
Allowance for doubtful notes and accounts	(972)		(1,021)	
Inventories	103,720		89,216	
Deferred income taxes	16,899		17,378	
Prepaid expenses and other	10,275		7,071	
Property, plant and equipment	279,075	28.9	285,265	30.7
Land	43,949		43,829	
Buildings	271,699		272,070	
Machinery and equipment	578,271		570,701	
Construction in progress	19,260		12,162	
Accumulated depreciation	(634,104)		(613,497)	
Investments and other assets	283,984	29.5	255,384	27.5
Investments	235,820		207,958	
Deferred income taxes	8,182		9,654	
Other	39,982		37,772	
Total assets	963,796	100.0	928,790	100.0

Consolidated Balance Sheets (Unaudited)
Murata Manufacturing Co., Ltd. and Subsidiaries

Consolidated Balance Sheets (Liabilities and Shareholders' Equity)

As of December 31, 2010 and March 31, 2010

	Millions of Yen			
	As of December 31, 2010		As of March 31, 2010	
Liabilities	152,162	15.8%	127,933	13.8%
Current liabilities	101,000	10.5	78,746	8.5
Short-term borrowings	7,953		5,476	
Trade notes payable	17		777	
Trade accounts payable	33,633		28,861	
Accrued payroll and bonuses	14,548		20,351	
Income taxes payable	18,373		3,226	
Accrued expenses and other	26,476		20,055	
Long-term liabilities	51,162	5.3	49,187	5.3
Termination and retirement benefits	48,562		46,496	
Deferred income taxes	1,374		1,812	
Other	1,226		879	
Shareholders' equity	811,634	84.2	800,857	86.2
Common stock	69,377		69,377	
Capital surplus	102,388		102,388	
Retained earnings	724,174		698,613	
Accumulated other comprehensive loss :	(36,216)		(21,447)	
Unrealized gains on securities	3,002		3,132	
Pension liability adjustments	2,859		3,167	
Unrealized gains (losses) on derivative instruments	321		(300)	
Foreign currency translation adjustments	(42,398)		(27,446)	
Treasury stock, at cost	(48,089)		(48,074)	
Total liabilities and shareholders' equity	963,796	100.0	928,790	100.0

Consolidated Statements of Income (Unaudited)
Murata Manufacturing Co., Ltd. and Subsidiaries

(2) Consolidated Statements of Income

Nine months ended December 31, 2010 and 2009

	Millions of Yen			
	Nine months ended December 31, 2009		Nine months ended December 31, 2010	
		%		%
Net sales	395,501	100.0	472,573	100.0
Cost of sales	288,114	72.8	314,492	66.5
Selling, general and administrative	59,257	15.0	63,176	13.4
Research and development	30,730	7.8	29,726	6.3
Operating income	17,400	4.4	65,179	13.8
Interest and dividend income	2,412	0.6	3,263	0.7
Interest expense	(50)	(0.0)	(36)	(0.0)
Foreign currency exchange gain (loss)	538	0.1	(1,826)	(0.4)
Other - net	2,767	0.7	788	0.2
Income before income taxes	23,067	5.8	67,368	14.3
Income taxes	9,032	2.3	23,564	5.0
<Current income tax>	<3,590>		<21,950>	
<Deferred income tax>	<5,442>		<1,614>	
Net income	14,035	3.5	43,804	9.3

(3) Consolidated Statements of Comprehensive Income

Nine months ended December 31, 2010 and 2009

	Millions of Yen	
	Nine months ended December 31, 2009	Nine months ended December 31, 2010
Net income	14,035	43,804
Other comprehensive income (loss), net of tax :		
Unrealized gains (losses) on securities	2,044	(130)
Pension liability adjustments	2,582	(308)
Unrealized gains on derivative instruments	376	621
Foreign currency translation adjustments	(1,304)	(14,952)
Other comprehensive income (loss)	3,698	(14,769)
Comprehensive income	17,733	29,035

Consolidated Statements of Income (Unaudited)
Murata Manufacturing Co., Ltd. and Subsidiaries

Consolidated Statements of Income

Three months ended December 31, 2010 and 2009

	Millions of Yen			
	Three months ended December 31, 2009		Three months ended December 31, 2010	
		%		%
Net sales	139,906	100.0	157,584	100.0
Cost of sales	99,561	71.2	108,473	68.8
Selling, general and administrative	19,013	13.5	20,711	13.2
Research and development	10,032	7.2	9,477	6.0
Operating income	11,300	8.1	18,923	12.0
Interest and dividend income	854	0.6	1,268	0.8
Interest expense	(15)	(0.0)	(16)	(0.0)
Foreign currency exchange gain (loss)	2,458	1.7	(930)	(0.6)
Other - net	719	0.5	661	0.4
Income before income taxes	15,316	10.9	19,906	12.6
Income taxes	6,024	4.3	7,168	4.5
<Current income tax>	<1,058>		<4,545>	
<Deferred income tax>	<4,966>		<2,623>	
Net income	9,292	6.6	12,738	8.1

Consolidated Statements of Comprehensive Income

Three months ended December 31, 2010 and 2009

	Millions of Yen	
	Three months ended December 31, 2009	Three months ended December 31, 2010
Net income	9,292	12,738
Other comprehensive income (loss), net of tax :		
Unrealized gains on securities	78	280
Pension liability adjustments	268	(98)
Unrealized gains (losses) on derivative instruments	(1,255)	265
Foreign currency translation adjustments	2,101	(3,470)
Other comprehensive income (loss)	1,192	(3,023)
Comprehensive income	10,484	9,715

Consolidated Statements of Cash Flows (Unaudited)
Murata Manufacturing Co., Ltd. and Subsidiaries

(4) Consolidated Statements of Cash Flows

Nine months ended December 31, 2010 and 2009

	Millions of Yen			
	Nine months ended December 31, 2009		Nine months ended December 31, 2010	
Operating activities:				
Net income		14,035		43,804
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	51,005		44,994	
Losses (Gains) on sales and disposals of property, plant and equipment	(233)		211	
Provision for termination and retirement benefits, less payments	3,347		1,689	
Deferred income taxes	5,442		1,614	
Changes in assets and liabilities:				
Increase in trade notes and accounts receivable	(31,088)		(25,153)	
Decrease (Increase) in inventories	7,444		(17,556)	
Decrease (Increase) in prepaid expenses and other	13,590		(2,706)	
Increase in trade notes and accounts payable	4,244		4,484	
Decrease in accrued payroll and bonuses	(4,580)		(5,672)	
Increase in income taxes payable	715		15,307	
Increase in accrued expenses and other	5,070		7,750	
Other-net	1,056	56,012	(724)	24,238
Net cash provided by operating activities		70,047		68,042
Investing activities:				
Capital expenditures		(16,265)		(37,021)
Payment for purchases of marketable securities, investments and other		(105,931)		(92,231)
Maturities and sales of marketable securities, investments and other		69,471		37,441
Decrease (Increase) in short-term investments		(9,602)		12,417
Other		1,797		(5,817)
Net cash used in investing activities		(60,530)		(85,211)
Financing activities:				
Net increase (decrease) in short-term borrowings		(4,595)		3,148
Dividends paid		(18,244)		(18,243)
Other		(117)		(122)
Net cash used in financing activities		(22,956)		(15,217)
Effect of exchange rate changes on cash and cash equivalents		234		(2,789)
Net decrease in cash and cash equivalents		(13,205)		(35,175)
Cash and cash equivalents at beginning of period		117,502		108,777
Cash and cash equivalents at end of period		104,297		73,602
Additional cash and cash equivalents information:				
Cash		66,400		58,483
Short-term investments		70,083		24,598
Short-term investments with the original maturities over three months		(32,186)		(9,479)
Cash and cash equivalents at end of period		104,297		73,602

	Millions of Yen	
	As of December 31, 2009	As of December 31, 2010
Cash and cash equivalents at end of period	104,297	73,602
Short-term investments with the original maturities over three months	32,186	9,479
Available-for-sale securities (Governmental and Private debt securities)	200,406	283,254
Long-term deposits	-	6,000
Liquidity in hand	336,889	372,335

(5) Assumptions for Going Concern

None

(6) Segment Information

Operating Segment Information

The Companies mainly develop, manufacture and sell electronic components and related products.

Operating segments of the Companies are classified based on the nature of products and the Companies recognized Components segment, Modules segment and Others.

Nine months ended December 31, 2010 and 2009

		Millions of Yen			
		Nine months ended December 31, 2009		Nine months ended December 31, 2010	
Components	Sales to :		%		%
	Unaffiliated customers	263,934		323,187	
	Intersegment	9,536		7,741	
	Total revenue	273,470	100.0	330,928	100.0
	Segment income	35,587	13.0	74,935	22.6
Modules	Sales to :		%		%
	Unaffiliated customers	130,101		147,612	
	Intersegment	556		397	
	Total revenue	130,657	100.0	148,009	100.0
	Segment income	3,718	2.8	12,464	8.4
Others	Sales to :		%		%
	Unaffiliated customers	1,466		1,774	
	Intersegment	6,226		18,234	
	Total revenue	7,692	100.0	20,008	100.0
	Segment income	330	4.3	2,168	10.8
Corporate and eliminations	Sales to :		%		%
	Unaffiliated customers	-		-	
	Intersegment	(16,318)		(26,372)	
	Total revenue	(16,318)	-	(26,372)	-
	Corporate expenses	(22,235)	-	(24,388)	-
Consolidated	Sales to :		%		%
	Unaffiliated customers	395,501		472,573	
	Intersegment	-		-	
	Total revenue	395,501	100.0	472,573	100.0
	Operating income	17,400	4.4	65,179	13.8

Three months ended December 31, 2010 and 2009

		Millions of Yen			
		Three months ended December 31, 2009		Three months ended December 31, 2010	
Components	Sales to :		%		%
	Unaffiliated customers	95,245		102,663	
	Intersegment	3,093		2,443	
	Total revenue	98,338	100.0	105,106	100.0
	Segment income	16,605	16.9	21,128	20.1
Modules	Sales to :		%		%
	Unaffiliated customers	44,126		54,287	
	Intersegment	214		99	
	Total revenue	44,340	100.0	54,386	100.0
	Segment income	1,787	4.0	4,412	8.1
Others	Sales to :		%		%
	Unaffiliated customers	535		634	
	Intersegment	2,321		7,414	
	Total revenue	2,856	100.0	8,048	100.0
	Segment income	362	12.7	1,075	13.4
Corporate and eliminations	Sales to :		%		%
	Unaffiliated customers	-		-	
	Intersegment	(5,628)		(9,956)	
	Total revenue	(5,628)	-	(9,956)	-
	Corporate expenses	(7,454)	-	(7,692)	-
Consolidated	Sales to :		%		%
	Unaffiliated customers	139,906		157,584	
	Intersegment	-		-	
	Total revenue	139,906	100.0	157,584	100.0
	Operating income	11,300	8.1	18,923	12.0

Notes : 1. Major products and businesses included in the operating segments.

(1) Components : Capacitors, Piezoelectric Components

(2) Modules : Communication Modules

(3) Others : Machinery manufacturing, welfare services, personnel services, education and training services, sales of software

2. Intersegment transactions are based on market prices.

3. Segment income for each operating segments represents net sales, less related costs.

Corporate expenses represent expenses of headquarters functions and fundamental researches.

(7) Significant changes in shareholders' equity

None

(8) Other

Flash Report (Nine months ended December 31, 2010)

Selected Financial Data

Nine months ended December 31, 2010 and 2009 / As of December 31, 2010 and 2009

		Consolidated Basis			Parent Co. Basis		
		2009	2010	Growth ratio	2009	2010	Growth ratio
Net sales	Millions of yen	395,501	472,573	19.5%	342,161	415,884	21.5%
Operating income	<%>*3 Millions of yen	<4.4> 17,400	<13.8> 65,179	274.6	<1.7> 5,764	<3.8> 15,632	171.2
Income before income taxes (and extraordinary items) *2	<%>*3 Millions of yen	<5.8> 23,067	<14.3> 67,368	192.1	<4.6> 15,837	<6.5> 26,901	69.9
Net income	<%>*3 Millions of yen	<3.5> 14,035	<9.3> 43,804	212.1	<4.0> 13,841	<5.3> 22,126	59.9
Total assets	Millions of yen	908,295	963,796	6.1	553,875	621,065	12.1
Shareholders' equity	Millions of yen	783,823	811,634	3.5	396,311	403,286	1.8
Shareholders' equity ratio	%	86.3	84.2	-	71.6	64.9	-
Basic earnings per share	Yen	65.39	204.09	212.1	64.49	103.09	59.9
Diluted earnings per share	Yen	65.39	204.09	212.1	-	-	-
Shareholders' equity per share	Yen	3,651.96	3,781.61	-	1,846.48	1,879.02	-
Capital expenditures	Millions of yen	16,265	37,021	127.6	6,144	5,575	(9.3)
Depreciation and amortization	<%> Millions of yen	<12.9>*3 51,005	<9.5>*3 44,994	(11.8)	<4.3>*5 14,204	<3.5>*5 14,000	(1.4)
R & D expenses	<%> Millions of yen	<7.8>*3 30,730	<6.3>*3 29,726	(3.3)	<7.4>*5 24,578	<6.2>*5 24,995	1.7
Number of employees	*6	<11,469> 33,823	<13,131> 35,301	4.4	6,914	6,975	0.9
Average exchange rates							
Yen/US dollar	Yen	93.57	86.85	-			
Yen/EURO	Yen	133.00	113.31	-			

Three months ended December 31, 2010 and 2009

		Consolidated Basis			Parent Co. Basis		
		2009	2010	Growth ratio	2009	2010	Growth ratio
Net sales	Millions of yen	139,906	157,584	12.6%	122,447	138,532	13.1%
Operating income	<%>*3 Millions of yen	<8.1> 11,300	<12.0> 18,923	67.5	<3.3> 4,019	<3.8> 5,282	31.4
Income before income taxes (and extraordinary items) *2	<%>*3 Millions of yen	<10.9> 15,316	<12.6> 19,906	30.0	<7.8> 9,536	<7.5> 10,379	8.8
Net income	<%>*3 Millions of yen	<6.6> 9,292	<8.1> 12,738	37.1	<6.3> 7,686	<6.5> 8,963	16.6
Basic earnings per share	Yen	43.29	59.35	37.1	35.81	41.76	16.6
Diluted earnings per share	Yen	43.29	59.35	37.1	-	-	-
Capital expenditures	Millions of yen	5,607	16,176	188.5	1,933	2,011	4.0
Depreciation and amortization	<%> Millions of yen	<12.5>*3 17,467	<9.9>*3 15,582	(10.8)	<4.3>*5 5,090	<3.4>*5 4,548	(10.6)
R & D expenses	<%> Millions of yen	<7.2>*3 10,032	<6.0>*3 9,477	(5.5)	<6.7>*5 8,017	<5.9>*5 7,944	(0.9)

*1 The consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America.

*2 Consolidated Basis : Income before income taxes, Parent Co. Basis : Income before income taxes and extraordinary items

*3 Ratio to net sales

*4 The diluted earnings per share on Parent Co. Basis is not stated, since there were no dilutive potential securities.

*5 Ratio to net sales excluding revenue from services

*6 Figures in parentheses show the number of employees in overseas countries.

Projected Financial Data

Year ending March 31, 2011

		Consolidated Basis		Parent Co. Basis	
		Previous Projections Announced in October, 2010	Revised Projections	Previous Projections Announced in October, 2010	Revised Projections
Net sales	Millions of yen	615,000	620,000	530,000	545,000
Operating income	<%>*2 Millions of yen	<12.7> 78,000	<13.2> 82,000	<3.2> 17,000	<3.5> 19,000
Income before income taxes (and extraordinary items) *1	<%>*2 Millions of yen	<13.2> 81,000	<13.7> 85,000	<5.5> 29,000	<5.5> 30,000
Net income	<%>*2 Millions of yen	<8.6> 53,000	<9.0> 55,500	<4.5> 24,000	<4.4> 24,000
Basic earnings per share	Yen	246.94	258.59	111.82	111.82
Capital expenditures	Millions of yen	52,000	52,000	9,000	9,000
Depreciation and amortization	<%> Millions of yen	<10.4>*2 64,000	<10.1>*2 62,500	<3.8>*3 19,400	<3.4>*3 18,000
R & D expenses	<%> Millions of yen	<6.7>*2 41,000	<6.5>*2 40,000	<6.6>*3 34,000	<6.2>*3 33,000

*1 Consolidated Basis : Income before income taxes, Parent Co. Basis : Income before income taxes and extraordinary items

*2 Ratio to net sales

*3 Ratio to net sales excluding revenue from services

*4 The revised projections are based on the assumed average exchange rates of Yen 82 per US\$ and Yen 108 per Euro for the three months ending March 31, 2011.

*5 The above projections were prepared based on estimates using information currently available. Actual results may differ from the projections. For assumptions and other information regarding the projections, refer to "Business Results and Financial Position".

Order, Backlog and Sales

(1) Order and Backlog by Product

<Order>

Nine months ended December 31, 2010 and 2009

	Millions of Yen					
	Nine months ended December 31, 2009		Nine months ended December 31, 2010		Growth	
		%*1		%*1		%
Capacitors	143,033	34.5	162,868	34.1	19,835	13.9
Piezoelectric Components	63,795	15.4	66,748	14.0	2,953	4.6
Other Components	76,116	18.3	89,115	18.7	12,999	17.1
Components Total	282,944	68.2	318,731	66.8	35,787	12.6
Communication Modules	95,828	23.1	118,981	24.9	23,153	24.2
Power Supplies and Other Modules	36,054	8.7	39,641	8.3	3,587	9.9
Modules Total	131,882	31.8	158,622	33.2	26,740	20.3
Total	414,826	100.0	477,353	100.0	62,527	15.1

Three months ended December 31, 2010 and 2009

	Millions of Yen					
	Three months ended December 31, 2009		Three months ended December 31, 2010		Growth	
		%*1		%*1		%
Capacitors	48,099	35.2	49,406	30.8	1,307	2.7
Piezoelectric Components	21,102	15.5	21,479	13.4	377	1.8
Other Components	26,135	19.2	28,565	17.8	2,430	9.3
Components Total	95,336	69.9	99,450	62.0	4,114	4.3
Communication Modules	28,031	20.5	48,172	30.1	20,141	71.9
Power Supplies and Other Modules	13,107	9.6	12,658	7.9	(449)	(3.4)
Modules Total	41,138	30.1	60,830	38.0	19,692	47.9
Total	136,474	100.0	160,280	100.0	23,806	17.4

*1 Component ratio

*2 Figures are based on sales prices to customers.

*3 Exclusive of consumption taxes

*4 The tables by product indicate order, backlog, and sales of electronic components and related products.

<Backlog>

	Millions of Yen					
	As of March 31, 2010		As of December 31, 2010		Growth	
		%*1		%*1		%
Capacitors	29,983	41.9	24,970	31.9	(5,013)	(16.7)
Piezoelectric Components	9,635	13.4	10,201	13.1	566	5.9
Other Components	12,754	17.8	12,745	16.3	(9)	(0.1)
Components Total	52,372	73.1	47,916	61.3	(4,456)	(8.5)
Communication Modules	14,498	20.3	25,775	33.0	11,277	77.8
Power Supplies and Other Modules	4,746	6.6	4,479	5.7	(267)	(5.6)
Modules Total	19,244	26.9	30,254	38.7	11,010	57.2
Total	71,616	100.0	78,170	100.0	6,554	9.2

*1 Component ratio

*2 Figures are based on sales prices to customers.

*3 Exclusive of consumption taxes

(2) Sales by Product Category, Application and Area

1. Sales by Product Category

Nine months ended December 31, 2010 and 2009

	Millions of Yen					
	Nine months ended December 31, 2009		Nine months ended December 31, 2010		Growth	
		%*1		%*1		%
Capacitors	130,878	33.2	167,881	35.7	37,003	28.3
Piezoelectric Components	60,890	15.5	66,182	14.0	5,292	8.7
Other Components	72,166	18.3	89,124	18.9	16,958	23.5
Components Total	263,934	67.0	323,187	68.6	59,253	22.4
Communication Modules	96,134	24.4	107,704	22.9	11,570	12.0
Power Supplies and Other Modules	33,967	8.6	39,908	8.5	5,941	17.5
Modules Total	130,101	33.0	147,612	31.4	17,511	13.5
Net sales	394,035	100.0	470,799	100.0	76,764	19.5

Three months ended December 31, 2010 and 2009

	Millions of Yen					
	Three months ended December 31, 2009		Three months ended December 31, 2010		Growth	
		%*1		%*1		%
Capacitors	47,784	34.3	53,709	34.2	5,925	12.4
Piezoelectric Components	21,715	15.6	20,165	12.9	(1,550)	(7.1)
Other Components	25,746	18.4	28,789	18.3	3,043	11.8
Components Total	95,245	68.3	102,663	65.4	7,418	7.8
Communication Modules	31,635	22.7	41,806	26.6	10,171	32.2
Power Supplies and Other Modules	12,491	9.0	12,481	8.0	(10)	(0.1)
Modules Total	44,126	31.7	54,287	34.6	10,161	23.0
Net sales	139,371	100.0	156,950	100.0	17,579	12.6

*1 Component ratio

*2 Exclusive of consumption taxes

2. Sales by Application (based on the Company's estimate)

Nine months ended December 31, 2010 and 2009

	Millions of Yen					
	Nine months ended December 31, 2009		Nine months ended December 31, 2010		Growth	
		%*1		%*1		%
AV	61,535	15.6	64,934	13.8	3,399	5.5
Communications	175,977	44.7	204,537	43.4	28,560	16.2
Computers and Peripherals	68,576	17.4	86,562	18.4	17,986	26.2
Automotive Electronics	47,357	12.0	59,139	12.6	11,782	24.9
Home and Others	40,590	10.3	55,627	11.8	15,037	37.0
Net sales	394,035	100.0	470,799	100.0	76,764	19.5

Three months ended December 31, 2010 and 2009

	Millions of Yen					
	Three months ended December 31, 2009		Three months ended December 31, 2010		Growth	
		%*1		%*1		%
AV	20,870	15.0	22,000	14.0	1,130	5.4
Communications	60,782	43.6	72,008	45.9	11,226	18.5
Computers and Peripherals	24,796	17.8	27,035	17.2	2,239	9.0
Automotive Electronics	18,080	13.0	19,657	12.5	1,577	8.7
Home and Others	14,843	10.6	16,250	10.4	1,407	9.5
Net sales	139,371	100.0	156,950	100.0	17,579	12.6

*1 Component ratio

*2 Exclusive of consumption taxes

3. Sales by Area

Nine months ended December 31, 2010 and 2009

	Millions of Yen					
	Nine months ended December 31, 2009		Nine months ended December 31, 2010		Growth	
		%*1		%*1		%
The Americas	27,802	7.1	35,900	7.6	8,098	29.1
Europe	40,206	10.2	51,584	10.9	11,378	28.3
Greater China	180,753	45.9	227,364	48.3	46,611	25.8
Asia and Others	70,027	17.7	81,731	17.4	11,704	16.7
Overseas total	318,788	80.9	396,579	84.2	77,791	24.4
Japan	75,247	19.1	74,220	15.8	(1,027)	(1.4)
Net sales	394,035	100.0	470,799	100.0	76,764	19.5

Three months ended December 31, 2010 and 2009

	Millions of Yen					
	Three months ended December 31, 2009		Three months ended December 31, 2010		Growth	
		%*1		%*1		%
The Americas	10,849	7.8	10,818	6.9	(31)	(0.3)
Europe	14,768	10.6	16,067	10.2	1,299	8.8
Greater China	63,817	45.8	77,088	49.1	13,271	20.8
Asia and Others	23,542	16.9	27,739	17.7	4,197	17.8
Overseas total	112,976	81.1	131,712	83.9	18,736	16.6
Japan	26,395	18.9	25,238	16.1	(1,157)	(4.4)
Net sales	139,371	100.0	156,950	100.0	17,579	12.6

*1 Component ratio

*2 Exclusive of consumption taxes

Quarterly Consolidated Performance

(1) Consolidated Financial Results

	Millions of yen							
	Three months ended June 30, 2009		Three months ended September 30, 2009		Three months ended December 31, 2009		Three months ended March 31, 2010	
		% *1		% *1		% *1		% *1
Net sales	117,507	100.0	138,088	100.0	139,906	100.0	135,318	100.0
Operating income (loss)	(3,775)	(3.2)	9,875	7.2	11,300	8.1	9,330	6.9
Income (Loss) before income taxes	(5,064)	(4.3)	12,815	9.3	15,316	10.9	11,591	8.6
Net income (loss)	(3,667)	(3.1)	8,410	6.1	9,292	6.6	10,722	7.9

	Millions of yen					
	Three months ended June 30, 2010		Three months ended September 30, 2010		Three months ended December 31, 2010	
		% *1		% *1		% *1
Net sales	153,672	100.0	161,317	100.0	157,584	100.0
Operating income	21,494	14.0	24,762	15.3	18,923	12.0
Income before income taxes	23,275	15.1	24,187	15.0	19,906	12.6
Net income	15,464	10.1	15,602	9.7	12,738	8.1

*1 Ratio to net sales

(2) Sales by Product Category

	Millions of yen							
	Three months ended June 30, 2009		Three months ended September 30, 2009		Three months ended December 31, 2009		Three months ended March 31, 2010	
		% *1		% *1		% *1		% *1
Capacitors	38,201	32.6	44,893	32.6	47,784	34.3	47,999	35.6
Piezoelectric Components	17,542	15.0	21,633	15.7	21,715	15.6	21,380	15.9
Other Components	21,704	18.6	24,716	18.0	25,746	18.4	26,056	19.3
Components Total	77,447	66.2	91,242	66.3	95,245	68.3	95,435	70.8
Communication Modules	29,764	25.4	34,735	25.2	31,635	22.7	26,922	20.0
Power Supplies and Other Modules	9,857	8.4	11,619	8.5	12,491	9.0	12,421	9.2
Modules Total	39,621	33.8	46,354	33.7	44,126	31.7	39,343	29.2
Net sales	117,068	100.0	137,596	100.0	139,371	100.0	134,778	100.0

	Millions of yen					
	Three months ended June 30, 2010		Three months ended September 30, 2010		Three months ended December 31, 2010	
		% *1		% *1		% *1
Capacitors	54,902	35.9	59,270	36.9	53,709	34.2
Piezoelectric Components	23,183	15.1	22,834	14.2	20,165	12.9
Other Components	29,182	19.1	31,153	19.4	28,789	18.3
Components Total	107,267	70.1	113,257	70.5	102,663	65.4
Communication Modules	32,014	20.9	33,884	21.1	41,806	26.6
Power Supplies and Other Modules	13,846	9.0	13,581	8.4	12,481	8.0
Modules Total	45,860	29.9	47,465	29.5	54,287	34.6
Net sales	153,127	100.0	160,722	100.0	156,950	100.0

*1 Component ratio

*2 Exclusive of consumption taxes