

Flash Report (First Quarter of Fiscal Year 2002)

Notes: 1. The consolidated statements are based on U.S. GAAP.
2. Quarterly figures are unaudited.

Selected Financial Data on Consolidated Basis

		Three months ended Jun. 30, 2002 / As of Jun. 30, 2002	Year ended Mar. 31, 2002 / As of Mar. 31, 2002
Net sales	Millions of yen	98,951	394,775
	<*>1	<15.3>	<12.9>
Operating income	Millions of yen	15,139	51,001
	<*>1	<16.9>	<13.3>
Income before income taxes	Millions of yen	16,793	52,408
	<*>1	<9.9>	<8.9>
Net income	Millions of yen	9,838	34,999
Total assets	Millions of yen	843,283	839,372
Shareholders' equity	Millions of yen	722,429	726,236
Shareholders' equity per share	Yen	40.28	143.91
Diluted earnings per share	Yen	40.28	143.34
Depreciation and amortization	Millions of yen	11,858	56,488
	<*>1	<7.9>	<8.0>
R & D expenses	Millions of yen	7,791	31,594
Average exchange rates			
Yen/US\$	Yen	127.04	125.14
Yen/EURO	Yen	116.56	110.58

*1 Ratio to net sales

*2 The figures of the year ended March 31, 2002 are shown for reference.

Selected Financial Data on Parent Co. Basis

		Three months ended Jun. 30, 2002 / As of Jun. 30, 2002	Year ended Mar. 31, 2002 / As of Mar. 31, 2002
Net sales	Millions of yen	77,533	298,522
	<*>1	<4.6>	<2.6>
Operating income	Millions of yen	3,550	7,913
	<*>1	<11.4>	<6.3>
Ordinary income	Millions of yen	8,849	18,944
	<*>1	<8.4>	<7.7>
Net income	Millions of yen	6,527	22,938
Total assets	Millions of yen	500,308	493,698
Shareholders' equity	Millions of yen	444,077	443,744

*1 Ratio to net sales

*2 The figures of the year ended March 31, 2002 are shown for reference.

Projected Financial Data

The following projections are made in accordance with information currently available and include uncertain factors. Consequently, actual results may differ from the projections.

Six months ending September 30, 2002

		Consolidated Basis		Parent Co. Basis	
		Projection announced on May 14, 2002	Revised projection	Projection announced on May 14, 2002	Revised projection
Net sales	Millions of yen	205,000	195,000	155,000	154,000
	<*>2	<12.7>	<15.4>	<2.9>	<3.8>
Operating income	Millions of yen	26,000	30,000	4,500	5,800
Income before income taxes (and extraordinary item) *1	Millions of yen	27,500	32,000	11,500	12,800
	<*>2	<13.4>	<16.4>	<7.4>	<8.3>
Net income	Millions of yen	16,000	19,500	8,500	10,300
	<*>2	<7.8>	<10.0>	<5.5>	<6.7>
Basic earnings per share	Yen	65.50	79.83	34.80	42.17
Depreciation and amortization	Millions of yen	23,500	23,500	6,500	6,500
	<*>	<11.5>*2	<12.1>*2	<4.3>*3	<4.4>*3
R & D expenses	Millions of yen	17,000	17,000	14,000	14,000
	<*>	<8.3>*2	<8.7>*2	<9.3>*3	<9.4>*3

Year ending March 31, 2003

		Consolidated Basis		Parent Co. Basis	
		Projection announced on May 14, 2002	Revised projection	Projection announced on May 14, 2002	Revised projection
Net sales	Millions of yen	420,000	410,000	315,500	314,500
	<*>2	<13.7>	<15.0>	<3.6>	<4.1>
Operating income	Millions of yen	57,500	61,500	11,500	12,800
Income before income taxes (and extraordinary item) *1	Millions of yen	60,500	65,000	24,500	25,800
	<*>2	<14.4>	<15.9>	<7.8>	<8.2>
Net income	Millions of yen	35,500	39,000	18,000	21,600
	<*>2	<8.5>	<9.5>	<5.7>	<6.9>
Basic earnings per share	Yen	145.34	159.67	73.69	88.43
Depreciation and amortization	Millions of yen	50,000	50,000	13,500	13,500
	<*>	<11.9>*2	<12.2>*2	<4.4>*3	<4.4>*3
R & D expenses	Millions of yen	34,000	34,000	28,000	28,000
	<*>	<8.1>*2	<8.3>*2	<9.1>*3	<9.2>*3

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

*2 Ratio to net sales

*3 Figures show the ratio to net sales excluding revenue from services.

*4 The projections of the six months ending September 30, 2002 are based on the assumed average exchange rates of Yen 121 per US\$ and Yen 116 per Euro. The projections of the six months ending March 31, 2003 are based on the assumed average exchange rates of Yen 125 per US\$ and Yen 115 per Euro, unchanged from the projections announced on May 14, 2002.

Consolidated Financial Flash Report (June 30, 2002)

Date: August 27, 2002

Company Name : Murata Manufacturing Co., Ltd.
Listing Code : 6981
(URL <http://www.murata.co.jp/>)
Phone : (075) 955-6511

Stock Exchange Listings:
Tokyo Stock Exchange
Osaka Securities Exchange
Stock Exchange of Singapore (DRSs)

1. Consolidated financial results for the first quarter of fiscal 2002 (April 1, 2002 through June 30, 2002)

(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
Three months ended Jun. 30, 2002	98,951	15,139	16,793	9,838
Year ended Mar. 31, 2002	394,775	51,001	52,408	34,999

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended Jun. 30, 2002	40.28	40.28
Year ended Mar. 31, 2002	143.91	143.34

*1 Equity in net income (loss) of affiliated companies: Yen (0) million for the three months ended June 30, 2002 and Yen (1) million for the year ended March 31, 2002

*2 Average number of shares outstanding (consolidated): 244,258,672 shares for the three months ended June 30, 2002 and 243,205,574 shares for the year ended March 31, 2002

*3 Change in accounting method: None

*4 The figures of the year ended March 31, 2002 are shown for reference.

(2) Financial position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
As of Jun. 30, 2002	843,283	722,429	85.7	2,957.64
As of Mar. 31, 2002	839,372	726,236	86.5	2,973.22

*1 Number of shares outstanding (consolidated): 244,258,330 shares as of June 30, 2002 and 244,259,379 shares as of March 31, 2002

*2 The figures as of March 31, 2002 are shown for reference.

(3) Consolidated subsidiaries and equity method investments

Number of consolidated subsidiaries : 51

Number of affiliated companies : 1 (Equity method is applied)

(4) Change in consolidated subsidiaries and equity method investments

One company was excluded from consolidated subsidiaries.

Notes: 1. The consolidated statements are based on U.S. GAAP.

2. Quarterly figures are unaudited.

Parent co.'s financial results for the first quarter of fiscal 2002 (April 1, 2002 through June 30, 2002)

	Net sales	Operating income	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Three months ended Jun. 30, 2002	77,533	3,550	8,849	6,527

	Total assets	Shareholders' equity
	Millions of yen	Millions of yen
As of Jun. 30, 2002	500,308	444,077

2. Consolidated projections for the six months ending September 30, 2002 and the year ending March 31, 2003

	Net sales	Income before income taxes	Net income
	Millions of yen	Millions of yen	Millions of yen
Six months ending Sep. 30, 2002	195,000	32,000	19,500
Year ending March 31, 2003	410,000	65,000	39,000

*1 Projected basic earnings per share for the year ending March 31, 2003: Yen 159.67

Parent co.'s projections for the six months ending September 30, 2002 and the year ending March 31, 2003

	Net sales	Ordinary income	Net income	Cash dividends per share		
				Interim	Year-end	
	Millions of yen	Millions of yen	Millions of yen	Yen	Yen	Yen
Six months ending Sep. 30, 2002	154,000	12,800	10,300	25.00	-	-
Year ending March 31, 2003	314,500	25,800	21,600	-	25.00	50.00

*1 Projected basic earnings per share for the year ending March 31, 2003: Yen 88.43

*2 These projections are made in accordance with information currently available and include uncertain factors. Consequently, actual results may differ from the projections.

Consolidated Balance Sheets

	Millions of Yen					
	As of Jun. 30, 2002		As of Mar. 31, 2002		Growth	
		%		%		%
Assets	843,283	100.0	839,372	100.0	3,911	0.5
Current assets	560,821	66.5	545,881	65.0	14,940	2.7
Cash and cash equivalents	83,477		79,053		4,424	
Marketable securities	295,553		284,212		11,341	
Notes and accounts receivable	83,710		82,514		1,196	
Inventories	55,714		59,192		(3,478)	
Other current assets	42,367		40,910		1,457	
Fixed assets	282,462	33.5	293,491	35.0	(11,029)	(3.8)
Property, plant and equipment	258,788		269,392		(10,604)	
Investments	9,823		10,100		(277)	
Other fixed assets	13,851		13,999		(148)	
Total assets	843,283	100.0	839,372	100.0	3,911	0.5

	Millions of Yen					
	As of Jun. 30, 2002		As of Mar. 31, 2002		Growth	
		%		%		%
Liabilities	120,854	14.3	113,136	13.5	7,718	6.8
Current liabilities	63,500	7.5	56,061	6.7	7,439	13.3
Short-term borrowings	1,755		925		830	
Trade notes and accounts payable	12,618		12,014		604	
Other current liabilities	49,127		43,122		6,005	
Long-term liabilities	57,354	6.8	57,075	6.8	279	0.5
Long-term debt	65		65		-	
Termination and retirement benefits	49,723		47,373		2,350	
Other long-term liabilities	7,566		9,637		(2,071)	
Shareholders' equity	722,429	85.7	726,236	86.5	(3,807)	(0.5)
Common stock	69,377		69,377		-	
Additional paid-in capital	102,222		102,222		-	
Legal reserve	10,044		10,002		42	
Retained earnings	554,278		550,588		3,690	
Accumulated other comprehensive income (loss)	(13,448)		(5,918)		(7,530)	
Treasury stock, at cost	(44)		(35)		(9)	
Total liabilities and shareholders' equity	843,283	100.0	839,372	100.0	3,911	0.5

Consolidated Statements of Income

	Millions of Yen			
	Three months ended Jun. 30, 2002		Year ended Mar. 31, 2002	
		%		%
Net sales	98,951	100.0	394,775	100.0
Cost of sales	60,748	61.4	253,316	64.2
Selling, general and administrative expenses	15,273	15.4	58,864	14.9
Research and development expenses	7,791	7.9	31,594	8.0
Operating income	15,139	15.3	51,001	12.9
Interest and dividend income	676	0.7	2,444	0.6
Interest expense	(18)	(0.0)	(142)	(0.0)
Other non-operating income (expenses) - net	996	0.9	(895)	(0.2)
Income before income taxes and cumulative effect of a change in accounting principle	16,793	16.9	52,408	13.3
Income taxes	6,955	7.0	22,734	5.8
Refund of previous years' income taxes	-		(5,537)	(1.4)
Income before cumulative effect of a change in accounting principle	9,838	9.9	35,211	8.9
Cumulative effect of a change in accounting principle	-		(212)	(0.0)
Net income	9,838	9.9	34,999	8.9

*1 Comprehensive income in accordance with SFAS No.130 "Reporting Comprehensive Income" is as follows.

	Millions of Yen	
	Three months ended Jun. 30, 2002	Year ended Mar. 31, 2002
Net income	9,838	34,999
Other comprehensive income (loss), net of tax :	(7,530)	3,617
<Unrealized gains (losses) on securities>	<8>	<(1,447)>
<Minimum pension liability adjustments>	<(562)>	<(2,937)>
<Unrealized gains (losses) on derivative instruments>	<23>	<(4)>
<Foreign currency translation adjustments>	<(6,999)>	<8,005>
Comprehensive income	2,308	38,616

*2 As the first quarter ended June 30, 2002 is the first fiscal year to prepare the quarterly consolidated financial statements, the quarterly consolidated financial statements of the first quarter ended June 30, 2002 cannot be compared with the statements of the first quarter ended June 30, 2001. Order, backlog and sales of the first quarter ended June 30, 2002 cannot be compared with the figures of the first quarter ended June 30, 2001 for the same reason.

*3 The figures of the year ended March 31, 2002 are shown for reference.

(Notes)

1.Change in consolidated subsidiaries and equity method investments

(Consolidated subsidiaries)

Togi Electronics Industries, Ltd. was excluded from consolidated subsidiaries.

2.Adoption of new accounting standard

(1)On April 1, 2002, Murata adopted Emerging Issues Task Force ("EITF") Issue No.01-9, "Accounting for Consideration Given by a Vendor to a Customer or Reseller of the Vendor's Products". The adoption results in a reduction in net sales and a corresponding decrease in selling, general and administrative expenses. The figures for previous year haven't been reclassified because the adoption does not have a material effect on the consolidated statement of income.

(2)On April 1, 2002, Murata adopted SFAS No.144, "Accounting for the Impairment or Disposal of Long-Lived Assets." This statements applies to all long-lived assets (including discontinued operations) and it develops one accounting model for long-lived assets that are impaired or to be disposed. The adoption of SFAS No.144 have no effect on the consolidated financial statement.

Order, Backlog, and Sales (Unaudited)
Murata Manufacturing Co., Ltd. and Subsidiaries

Order, Backlog and Sales

(1) Order and Backlog by Product

<Order>

	Millions of Yen			
	Three months ended Jun. 30, 2002		Year ended Mar. 31, 2002	
		%		%
Capacitors	39,139	38.5	141,959	39.6
Resistors	3,744	3.7	12,667	3.5
Piezoelectric Components	19,989	19.7	71,009	19.8
Microwave Devices	13,191	13.0	40,674	11.4
Module Products	11,520	11.3	47,448	13.2
Other Products	13,965	13.8	44,631	12.5
Total	101,548	100.0	358,388	100.0

*1 Figures are based on sales prices to customers.

*2 Exclusive of consumption taxes

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

*4 The figures of the year ended March 31, 2002 are shown for reference.

<Backlog>

	Millions of Yen			
	As of Jun. 30, 2002		As of Mar. 31, 2002	
		%		%
Capacitors	15,220	34.3	14,846	35.8
Resistors	1,971	4.4	1,856	4.5
Piezoelectric Components	8,197	18.5	7,563	18.2
Microwave Devices	7,087	16.0	4,925	11.9
Module Products	6,258	14.1	7,197	17.3
Other Products	5,656	12.7	5,093	12.3
Total	44,389	100.0	41,480	100.0

*1 Figures are based on sales prices to customers.

*2 Exclusive of consumption taxes

*3 The figures as of March 31, 2002 are shown for reference.

(2) Sales by Product, Application and Area

1. Sales by Product

	Millions of Yen			
	Three months ended Jun. 30, 2002		Year ended Mar. 31, 2002	
		%		%
Capacitors	38,765	39.3	159,660	40.6
Resistors	3,629	3.7	13,092	3.3
Piezoelectric Components	19,355	19.6	73,640	18.7
Microwave Devices	11,029	11.2	45,833	11.7
Module Products	12,459	12.6	53,406	13.6
Other Products	13,402	13.6	47,755	12.1
Net sales	98,639	100.0	393,386	100.0

*1 The figures of the year ended March 31, 2002 are shown for reference.

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

	Millions of Yen			
	Three months ended Jun. 30, 2002		Year ended Mar. 31, 2002	
		%		%
Video	12,449	12.6	53,020	13.5
Audio	5,743	5.8	21,242	5.4
Consumer total	18,192	18.4	74,262	18.9
Communication	34,156	34.6	145,723	37.0
EDP and Others *1	23,456	23.8	95,102	24.2
Industrial total	57,612	58.4	240,825	61.2
Home and Others *2	22,835	23.2	78,299	19.9
Net sales	98,639	100.0	393,386	100.0

*1 "EDP and Others" include computers and peripherals, copy machines, and measuring instruments.

*2 "Home and Others" include automotive electronics and household electrical appliances such as air conditioners, refrigerators, and lighting apparatuses.

*3 The figures of the year ended March 31, 2002 are shown for reference.

3. Sales by Area

	Millions of Yen			
	Three months ended Jun. 30, 2002		Year ended Mar. 31, 2002	
		%		%
The Americas	14,201	14.4	56,074	14.3
Europe	13,088	13.3	56,706	14.4
Asia and Others	37,239	37.7	140,089	35.6
Overseas total	64,528	65.4	252,869	64.3
Japan	34,111	34.6	140,517	35.7
Net sales	98,639	100.0	393,386	100.0

*1 The figures of the year ended March 31, 2002 are shown for reference.