

April 13, 2006

Company: Murata Manufacturing Co., Ltd.

Exchange Listing: 6981 (TSE1)

Location of Head Office: 1-10-1, Higashikotari, Nagaokakyo-shi, Kyoto

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### **Acquisition of US Venture backed Company - SyChip, Inc.**

(April 13, 2006) Kyoto, Japan: Murata Manufacturing Co., Ltd.'s wholly-owned subsidiary Murata Electronics North America, Inc. (Head office: Georgia; hereinafter "MEA") and its subsidiary SyChip Acquisition Corporation (Head office: Delaware; "Acquisition Corporation") have concluded a merger agreement with US venture backed company SyChip, Inc. (Head office: Texas; "SyChip"). The parties have agreed to merge Acquisition Corporation and SyChip, Inc., and to make surviving company SyChip, Inc., as a full subsidiary of MEA.

As a result of this transaction, SyChip, Inc becomes a consolidated affiliate of Murata Manufacturing Co., Ltd.,. Information for this transaction is as follows;

#### **1. Objective of the Transaction**

The objective of the acquisition is to enhance Murata's product offerings, and generate best in class communications module solutions for mobile device customers.

SyChip is a US venture-backed company based on the technology developed at the famed Bell Laboratories. SyChip designs, develops and markets Radio Frequency Chip Scale Modules (CSM) and Integrated Circuits for the mobile market. SyChip CSM is differentiated on complete plug and play software solutions. SyChip CSM are supplied for mobile terminals such as PDAs, IP phones, POS terminals, media players as well as smartphones. The application markets such as VoIP are not within our coverage and are anticipated to expand. As a consequence of this transaction, our wireless module business market will be broadened.

SyChip is carrying out the software support from their Chinese and North American design centers. These software technology and support know-how can also be utilized to our wireless communication modules based on LTCC (low-temperature co-fired ceramics), and contribute to the expansion of our module business.

Furthermore, SyChip pursuing smaller and thinner modules by developing IPD (integrated passive device) technology, which uses silicon as the module substrate.

SyChip's realization of such technology is expected to strengthen and develop our technology in new fields.

## 2. Means of Acquisition

This transaction employs a reverse triangular merger with cash as the consideration, compliance with the General Corporation Law in Delaware, US. In concrete terms, the Acquisition Corporation will be absorbed by SyChip in the merger, with SyChip becoming the surviving company.

SyChip's shareholders will receive cash from MEA and the shares will be cancelled. In addition, all shares of the Acquisition Corporation, held by MEA, will be converted to common shares of surviving company SyChip, with MEA holding all such shares. Through this process, MEA will become the holder of 100% of all post-merger outstanding shares of surviving company SyChip, thus making SyChip its wholly-owned subsidiary.

## 3. Acquisition Price

Acquisition price is agreed to be approximately 16,000 million JPN yen as the total consideration for outstanding shares, stock options, and warrants. MEA intends to use cash reserves to pay for this consideration.

## 4. Forthcoming Schedule

The acquisition is expected to take place in late April 2006.

## 5. Impact on Business Results

This transaction is expected to have minor impact on Murata's immediate consolidated business results.

## Appendix

### Overview of SyChip, Inc.

Company name: SyChip, Inc.

Head office: Parkway Center II, 2805 N. Dallas Parkway Suite 400, Plano, TX, US

Date established: 2000

Representative: George Barber, President & CEO

Capital: 100 thousand US dollars

Business description: The development, design, and sales of Wireless data and VOIP modules including system software.

Employees: 72

Settlement of accounts: December 31

Primary business locations: Dallas, New Jersey, Shanghai

Shares outstanding: Common shares/1,608,029

Preferred shares (A through E series)/125,972,216

Major shareholders: venture capitals

Awards: *Internet Telephony's* 2005 Product of the Year,

Deloitte's 2005 "Fast 500", 2004 "Fast 500 Rising Star Award"

the TiEcon 2005 Emerging Star Award,

MobileTrax "2005 Mobility Award",

finalist for the "2005 *Red Herring* 100", Deloitte's,

"Best Wireless Accessory" by *Handheld Computing*,

"Start-Up to Watch" by the Fabless Semiconductor Association (FSA),

Investors' Choice award winner at VentureWire's annual MicroVentures conference

URL: [www.sychip.com](http://www.sychip.com).

### Overview of MEA

Company name: Murata Electronics North America, Inc.

Head office: 2200 Lake Park Drive Smyrna, GA, US

Representative: Hiroshi Jozuka

Date established: 1987

Capital: 14,406 thousand US dollars

Shares outstanding: 16,881,100

Business description: The sales of products manufactured by Murata Manufacturing Co., Ltd. and its affiliates.

Major shareholders: Murata Manufacturing Co., Ltd. 100%

### Overview of Acquisition Corporation

Company name: SyChip Acquisition Corporation

Head office: 2711 Centerville Road, Suite 400, Wilmington, County of New Castle, DE, US

Representative: Harufumi Mandai

Date established: 2006

Capital: 1 US dollar

Shares outstanding: 100

Business description: Preparation for merger with SyChip, Inc.

Major shareholders: MEA 100%

### Overview of Murata Manufacturing Co., Ltd.

Head office: Higashikotari 1-10-1, Nagaokakyo-shi, Kyoto, JPN

Representative: Yasutaka Murata

Date established: Dec. 23, 1950

Capital: 69.3 billion JPN Yen (approx. 5.9 billion US dollars ; as of Sep.30, 2005)

Employees: consolidated / 26,719 individual / 5,357 (as of Sep.30, 2005)

Products: multi-layer ceramic capacitor, ceramic filter, ceramic resonator, saw filter, multi-layer device, dielectric filter, isolator, circuit module, power supplier, EMI suppression filter, sensor, coil, thermistor, variable resistor

Annual turnover:

consolidated / 424 billion JPN Yen (approx. 3.6 billion US dollars ; as of March, 2005)

individual / 358 billion JPN Yen (approx. 3.0 billion US dollars ; as of March, 2005)

Affiliates: domestic / 24 overseas / 32