



Murata Manufacturing Co., Ltd.

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
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Murata Purchases Land and Buildings Owned by FUJIFILM Co., Ltd. (Izumi-Ku, Sendai City)

Summary: Murata Manufacturing Co., Ltd. has concluded a basic agreement with FUJIFILM Co., Ltd. (hereafter referred to as FUJIFILM) to purchase its land (approx. 121,000 m²) and buildings in Izumi-ku of Sendai City, Miyagi Prefecture. The two companies will now enter into full-scale negotiations concerning the various conditions associated with this acquisition, and plans to conclude the formal contract by the end of this year. Murata will establish on this property a fully-owned subsidiary and will hire a certain number of the employees of FUJIFILM's subsidiary FUJIFILM Photonics Co., Ltd. This new subsidiary is scheduled to produce high-frequency SAW filters, a key component in mobile phones. The details such as of the purchase price, when the title to the assets will be transferred to Murata, and when the production of the high-frequency SAW filters will commence are still undecided.

Address: 3-1-1 (3-2-6) Ake-dori, Izumi-ku, Sendai City, Miyagi Prefecture

Background, Purpose:

Murata's current market share for high-frequency SAW filters, a key component in mobile phones, is more than 35% (estimated by Murata). Demand for SAW filters is increasing due to growth of the mobile phone market, particularly multi-band phones. At present, Murata manufactures these filters at Kanazawa Murata Manufacturing Co., Ltd. in Ishikawa Prefecture, but the need to decentralize its manufacturing center has been increasing to be prepared for contingencies such as earthquakes. To improve productivity, and to provide customers with a reliable supply of products even in times of disaster, Murata had previously been planning to acquire a second manufacturing plant outside the Hokuriku region.

FUJIFILM, which has been manufacturing CCDs for use in its cameras using a semi-conductor process in the Izumi-ku of Sendai City, had been considering selling its land and buildings at this site as a part of its restructuring program of the manufacturing system for its digital camera business. As a result of this acquisition, Murata will be able to secure engineers who are familiar with thin-film process technology (the basic technology necessary for the manufacture of Murata's high-frequency SAW filters) and a high-tech clean room facility along with its related staff. This will enable Murata to rapidly establish an expanded production system for SAW filters. This new production Murata facility will become Murata's second plant in Miyagi Prefecture, along with Tome Murata Manufacturing Co., Ltd.