

INFORMATION MEETING

2007

The logo consists of the word "muRata" in a white, italicized, sans-serif font, set against a red rectangular background.

**Murata
Manufacturing Co., Ltd.**

Electronic Equipment Market



< Sales, Production, and Demand Assumptions (Murata's estimation) > (Million Units)

		FY2006	FY2007	Growth
Mobile Phones	Sales	914	1,012	+11%
	Component Demand	990	1,100	+11%
Personal Computers	Sales	230	256	+11%
	Component Demand	243	268	+10%
LCD-TV sets	Production	49	78	+59%
PDP-TV sets	Production	11	15	+35%
Digital Still Cameras	Production	111	123	+11%

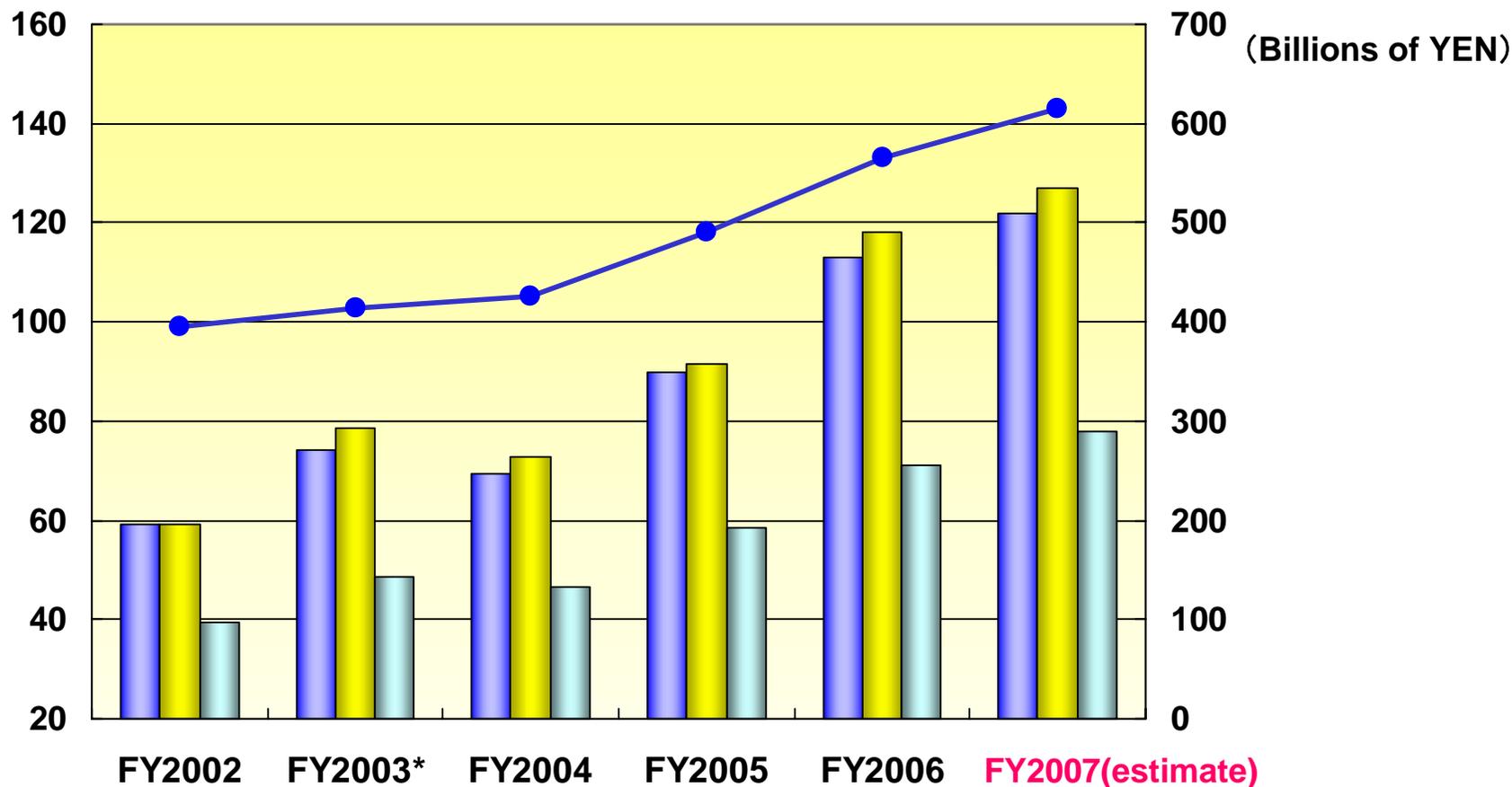
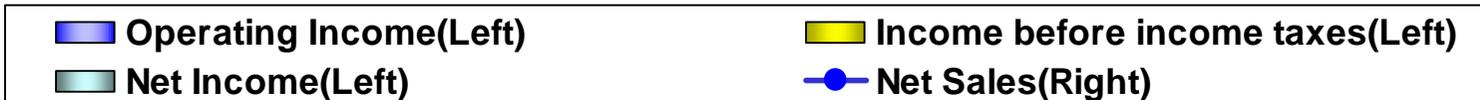
Electronic Equipment Market



Mobile Phones	<p>Full-scale diffusion of new 3G mobile phones, inclusion of more advanced functions</p> <ul style="list-style-type: none">• The use of Murata components are 1.5 to 2 times higher per unit than in earlier phones• Bluetooth[®] connectivity, digital terrestrial broadcast reception• The shift to multi-band phones has led to the need for higher numbers of SAW filters per phone (Conventional mobile phones : two to three filters per phone; Multi-band 3G phones : six to seven filters per phone)
Digital AV equipment	<p>Flat-screen televisions A single 32-inch or larger flat-screen TV contains 700 to 1,400 ceramic capacitors</p> <p>Digital Cameras</p> <ul style="list-style-type: none">• The demand for GYROSTARs[®] used for image stabilization is growing
PCs	<p>The move to the use of multi-core MPUs in PCs</p> <ul style="list-style-type: none">• Expansion of demand for large-capacitance and application-specific capacitors

New demands for electronic components

Business Performance Overview

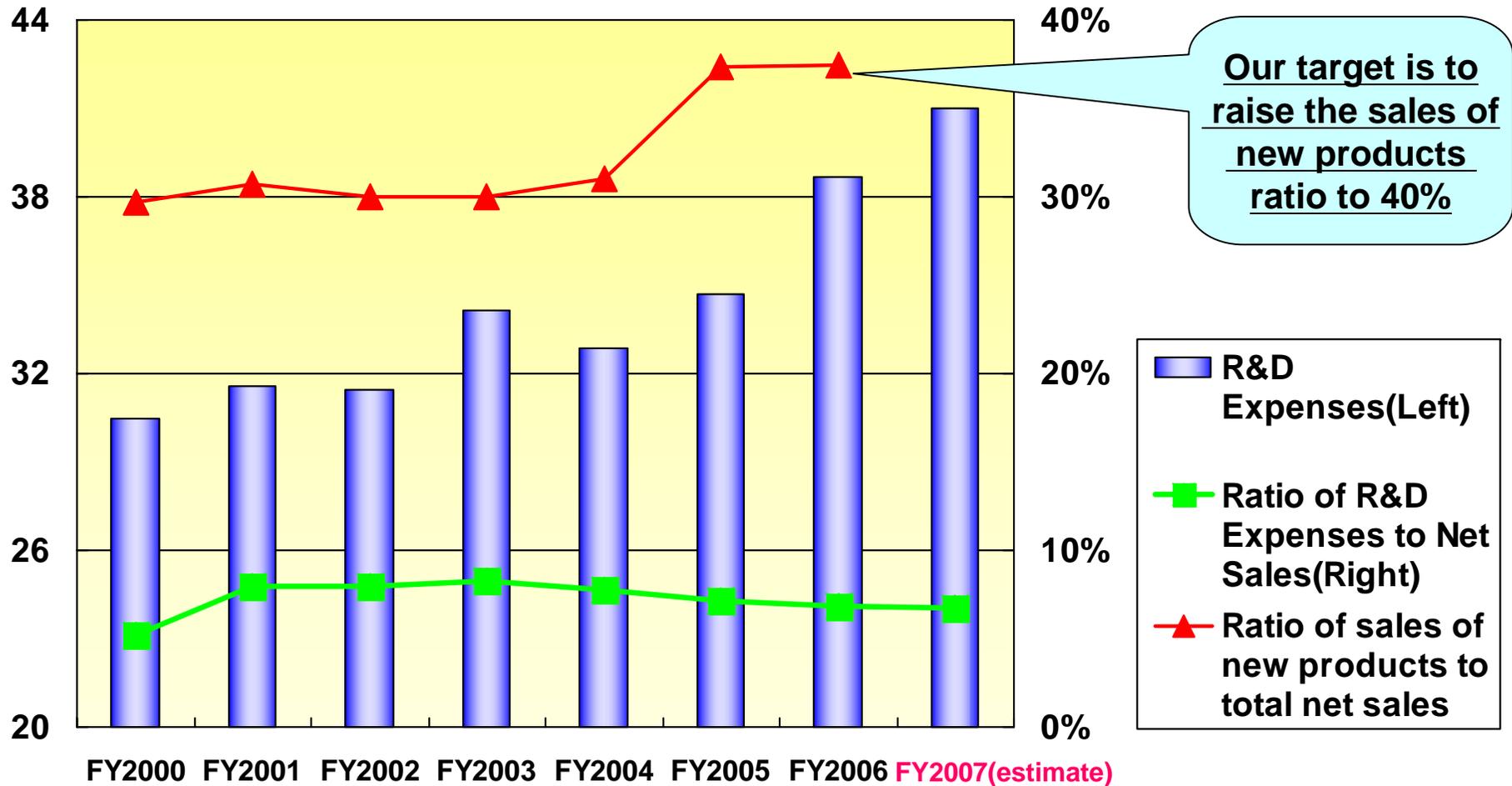


(*) Including the influence of the Termination and Retirement Plan

R&D Expenses



Billions of Yen



Business Performance Forecast for FY2007

(Billions of YEN)

	FY2005	FY2006	Growth*	FY2007	Growth*
	Actual	Actual		Estimation	
	Amount	Amount	%	Amount	%
Net sales	490.8	566.8	+15.5	615.0	+8.5
Operating income	89.8	113.4	+26.2	122.0	+7.6
Income before income taxes	91.7	118.0	+28.7	127.0	+7.6
Net income	58.4	71.3	+22.0	78.0	+9.4

* Growth ratio against the previous year

Capital Expenditure Plan



(Billions of YEN)

	FY2006 Actual	FY2007 Estimation	Growth
Production equipment	63.8	51.0	(12.8)
R&D equipment	7.0	10.0	+3.0
Land, buildings	20.8	29.0	+8.2
Others	8.1	10.0	+1.9
Total	99.7	100.0	+0.3

(Major projects of buildings for FY2007)

- Production facility for capacitors in Izumo plant
- Production facility for Saw filters in Kanazawa plant
- R&D facility in headquarters

Production capacity increase for capacitors (based on quantity)

Increased capacity by approximately 40% in FY2006

Plan to increase a further 15% by September, 2007

Our estimation of quantity demand for capacitors from FY2005 to FY2008

- Less than 1 μ F capacitors \longrightarrow increase about 50%
- 1 μ F or higher capacitors \longrightarrow nearly double
- \longrightarrow We estimate that the overall demand for capacitors will grow by approximately 60%

Large-capacitance ceramic capacitors whose sales are growing rapidly through miniaturization and larger capacitance

First company to mass-produce large-capacitance MLCCs using leading-edge 1.0 μ m thin-layer dielectrics

- Sales of 1608-size 10 μ F products and 2012-size 22 μ F products are rapidly increasing
- Commercialized 3216-size 100 μ F capacitors, 2012-size 47 μ F capacitors, and 1005-size 2.2 μ F capacitors

We have strengthened the lineup of compact and large-capacitance MLCCs

Net Sales in FY2006

- Large-capacitance capacitors(1 μ F or higher): Year-on-year growth of 40%
- 22 μ F or larger capacitance: Year-on-year growth of nearly 100%

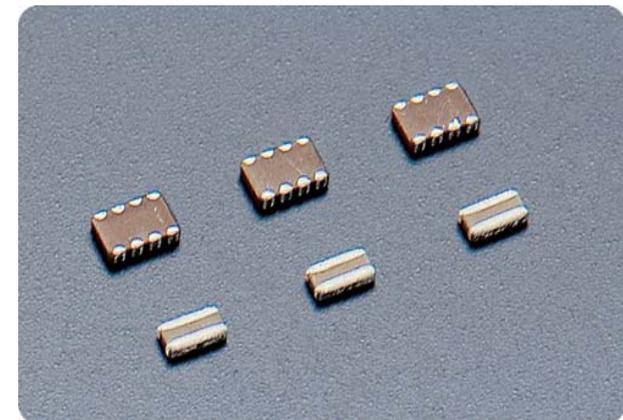
Small size capacitors that contribute to functional sophistication of electronics equipment

- 0603-size
 - Growing demand due to the shift to smaller and more advanced electronic equipment
 - Net sales in FY2006 increased 35% year-on-year
 - Increased use in power amplifier modules of mobile phones, mobile phones themselves, portable audio players, and game consoles
- 0402-size
 - First in the industry to commercialize
 - Starting to be used in power amplifier modules of mobile phones



Expansion of application-specific capacitors

- We hold a large share of the market for Low-ESL type capacitors
- As a result of the trend to dual core MPUs, demand for Low-ESL type and large-capacitance capacitors is expanding
- Sales of array (multiple-terminal) products, which enable high-density mounting in mobile devices, are also growing
- Net sales in FY2006 were up approximately 30% year-on-year



Chip Monolithic Ceramic Capacitors
(Low-ESL type capacitors)

Expansion of large-capacitance capacitors, small-size products and application-specific capacitors

- These products accounted for 60% of our total capacitor revenues
- They serve to stabilize our average capacitor price since the unit price is high



Total net sales of capacitors in FY2007 are projected to grow by approximately 20 billion yen (10%) from a year earlier

Demand growth driven by digitalization and increasing functional sophistication in equipment

Growing importance of noise suppression due to digitalization and increasing functional sophistication in equipment



- Sales of our noise suppression components have grown steadily over the past few years, thereby offsetting the effect of price declines
- Highly profitable products, utilizing our ceramic materials and production technologies

Noise Suppression Components



- Chip ferrite beads (BLM)
- Chip coils (LQW/LQG/LQP)
 - Growing sales due to the trend to digitalization and increasing functional sophistication of mobile phones
 - Commercialized very compact versions of these components, down to 0603 and 0402 sizes
- Chip three-terminal capacitors (NFM)
 - Special noise suppression characteristics for power supply lines of AV equipment
- Chip common-mode choke coils (DCC)
 - Effectively removing noise generated by high-speed interfaces



BLM Series



LQW/LQG/LQP Series



NFM21P Series

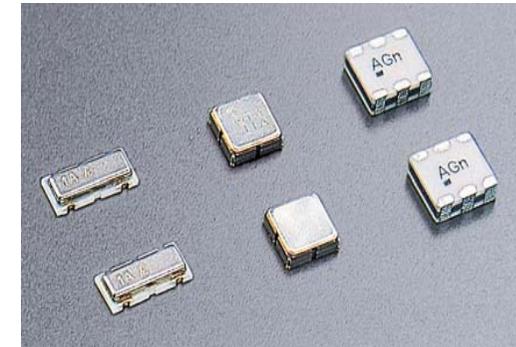


DLP/DLW31S Series

SAW Filters



- Rise in production of mobile phones
- The diffusion of multi-band phones has led to the need for a greater number of SAW filters per phone (Conventional mobile phones: two to three filters per phone; Multi-band phones: six to seven filters per phone)
- Improved market share to 35%



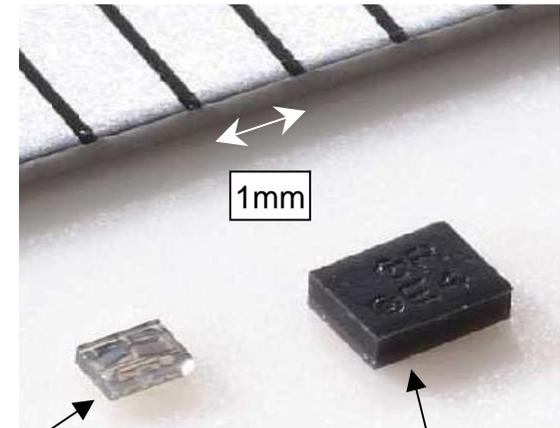
SAW Filters



- **Sales of SAW Filters in FY2006 rose approximately 40% over the previous term**
- **We plan revenues to increase 30% in FY2007**

- **Boundary acoustic wave filters**

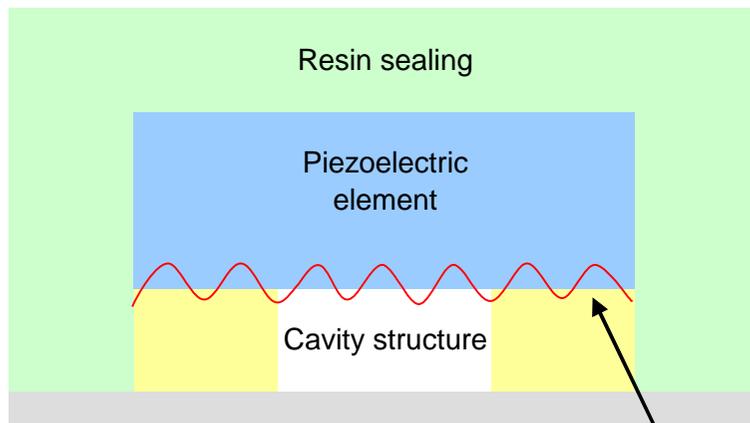
- Newly adopted structure
- Surface area is about one-third of conventional SAW filters
- Improvement in temperature and pressure resistance



Boundary acoustic wave filters
0.8mm × 0.6mm × 0.365 mm

SAW filters
1.35mm × 1.05mm × 0.5 mm

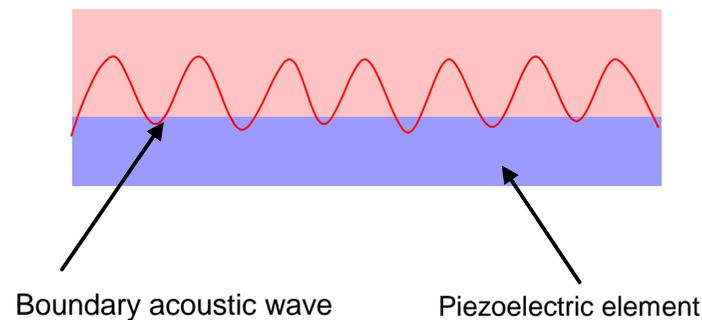
<Saw filters>



Surface acoustic wave

<Boundary acoustic wave filters>

Cavity structure is unnecessary



Boundary acoustic wave

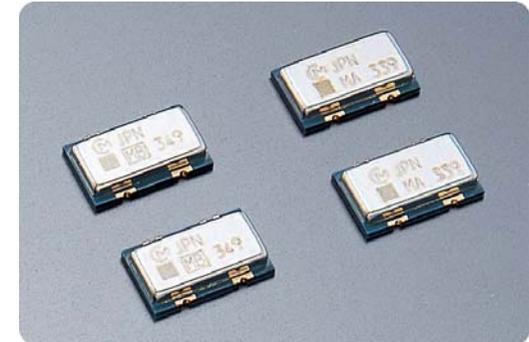
Piezoelectric element

Sensor-related Products



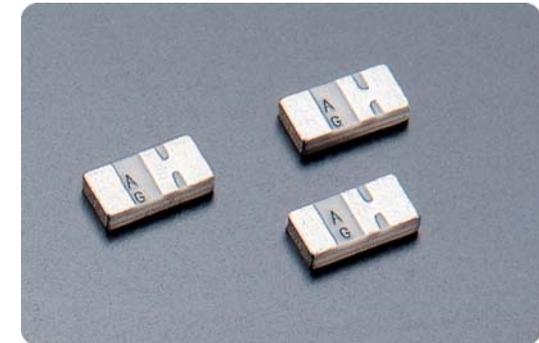
- GYROSTAR[®]

- Demand growth for image stabilization in digital still cameras
- Used in the controllers of game consoles
- Net sales in FY2006 grew 15% year-on-year



- Shock sensors

- Used for vibration detection in HDDs
- Increasing production of HDDs



Expanding applications of sensor-related products

- MEMS GYROSTAR[®] for car navigation systems

- Net sales of Bluetooth[®] modules
(Billions of Yen)

FY2005 Actual	FY2006 Actual	FY2007 Plan
45	56	52

Fall slightly as a result of a shift to in-house manufacturing by our customers

Sales of short-distance wireless communication modules including Bluetooth[®] modules and wireless LAN modules are expected to reach 60 billion yen in FY2007, same level as in the previous term

Expanding applications of module products

- Multilayer ceramic devices for wireless LAN applications on PCs
- Digital terrestrial broadcasting tuners for mobile phones
- Power supply for flat screen TVs

Acquisition price: approx. 85 million US\$

- Aim:**
1. Addition of a wide range of standard power supply products that Murata does not currently handle
 2. Full-scale entry into overseas market
 3. High market share for DC-DC converter
 4. Strengthening of competitiveness by sharing our sales network, production technology, and procurement of materials

Net sales: 185 million US\$ for the year ended January, 2007
(approx. 22.2 billion Yen; 1US\$=120yen)

Number of employees: 1,318 as of January 31, 2007

Long-term Goal



Our long-term goal is to achieve net sales of
1 trillion yen in FY 2015

Expansion of existing businesses

Strengthening of existing businesses as our foundation

Creation of new products

Cultivation of new business

Focus on batteries, electronic components for the biotechnology market, and antennas

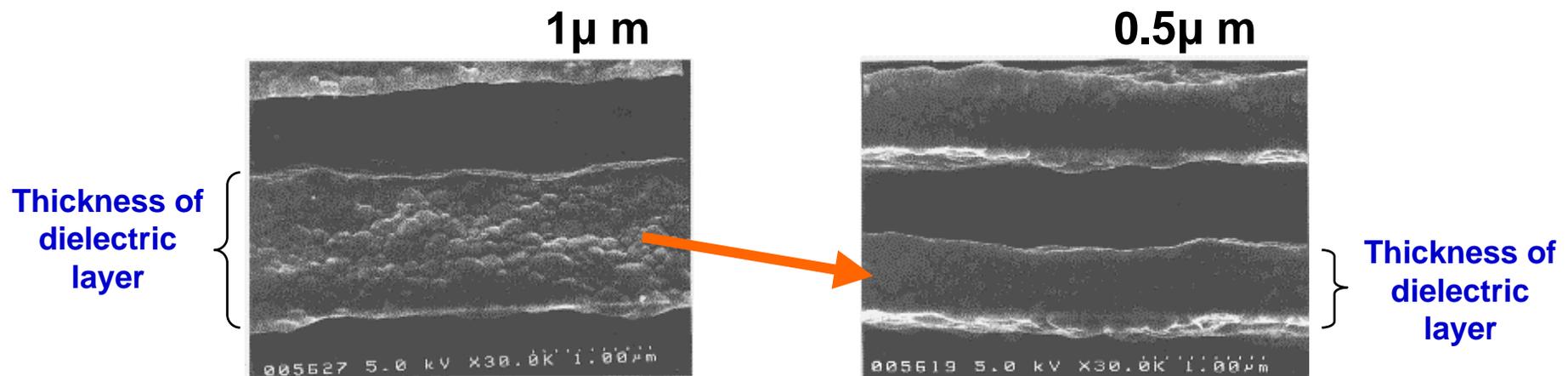
- **MLCC**

Planning to reduce the thickness of our dielectric layer to 0.5 μm , by evolving our material and multilayer technologies

➔ **Small-size, large-capacitance capacitors, such as 2.0 x 1.2mm- size 100 μF products**

Developing capacitors of capacitance greater than 100 μF

➔ **We believe it is technically possible to use ceramics to produce super-large-capacitance capacitors of up to 1,000 μF**

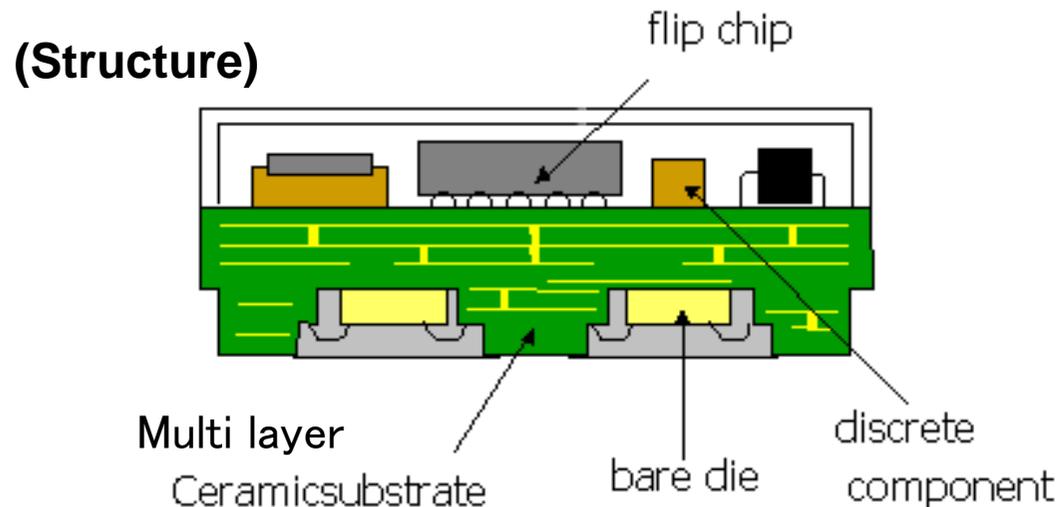


- **LTCC Technology**

- Applying the LTCC technology to the new field of wireless communications

- Utilizing the software technology of SyChip, Inc.

- ➔ To expand wireless communication modules of new communication technologies such as UWB, Zigbee, and WiMax



- **Piezoelectric technology**
 - Actuators used in fuel injection systems of diesel engines
 - Actuators for camera modules
 - Speakers for mobile devices
- **Noise suppression components**
 - Coil-type/multilayer-type power inductors
- **Microfabrication technology**
 - Commercialized MEMS gyroscopes for car navigation systems

•Batteries

- Entering the lithium-ion secondary batteries market
- Using the rich expertise in materials and production technology of ceramics



Lithium-ion secondary batteries

Target application

Electric tools, electric bicycles

➔ Ultimate target is hybrid cars

•Antennas

- Increase of demand due to the diffusion of multi-band mobile phones
- Commercialization of main antennas using CERABRID[®], a composite dielectric material by mixing ceramic powder with heat-resistant organic materials

•Electronic components for biotechnology market

- Collaboration with a venture company
- Development of component for diagnostic equipment applying the microwave technology

Dividends per share

(Yen)

	Interim	Year-end	Annual
FY2005 Actual	30	40	70
FY2006 Actual	40	50	90
FY2007 Plan	50	50	100

Share buy-back

Repurchased 22.33 million shares, for a total cost of 122.9 billion yen, in the three years from 2002 to 2005

(Most of the shares repurchased have already been retired.)

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