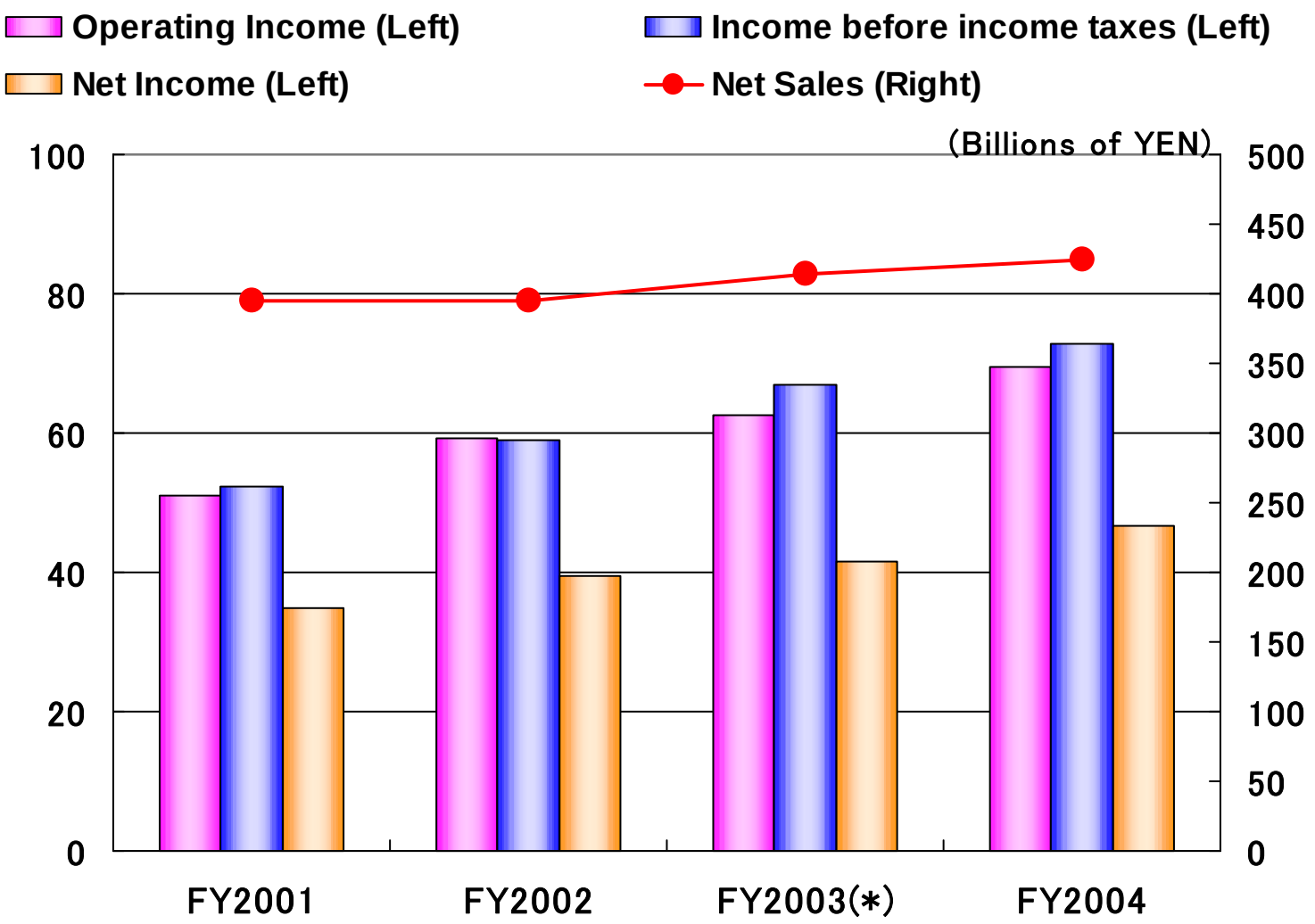
INFORMATION MEETING 2005

Murata
Manufacturing Co., Ltd.

Business Performance Overview FY2004



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

Business Performance Overview FY2004

(Billions of YEN, %)

	FY2003		FY2004		Growth	
	Amount	%	Amount	%	Amount	%
Net sales	414.2	100.0	424.5	100.0	+10.2	+2.5
Operating income	74.2	17.9	69.5	16.4	(4.7)	(6.3)
Income before income taxes	78.7	19.0	72.9	17.2	(5.8)	(7.3)
Net income	48.5	11.7	46.6	11.0	(2.0)	(4.0)

<Excluding the influence of the Termination and Retirement Plan in FY2003>

	FY2003		FY2004		Growth	
	Amount	%	Amount	%	Amount	%
Operating income	62.5	15.1	69.5	16.4	+7.0	+11.2
Income before income taxes	67.0	16.2	72.9	17.2	+5.9	+8.8

Electronic Equipment Market in FY2005

- We are not expecting as much growth in final demand as in the previous term
- We anticipate component prices to continue declining

However…

- Mobile Phone Market – 3G phones and Bluetooth® equipped models
- Personal Computer Market – MPUs with multiple cores
- Digital AV Equipment Market – LCD-TVs, PDP-TVs, DVD recorders
- Automotive Electronic Equipment Market – Further expansion is expected

We plan to expand our business by large-capacitance MLCCs, small MLCCs, application specific MLCCs, Bluetooth® modules, power supplies and sensors.

(Note) Bluetooth is trademark of Bluetooth SIG, Inc U.S.A

Business Performance Forecast for FY2005

(Billions of YEN, %)

	1H FY2005		2H FY2005		FY2005	
	Amount	% (*1)	Amount	% (*1)	Amount	% (*1)
Net sales	215.0	(1.5)	230.0	+11.6	445.0	+4.8
Gross income	86.0	(2.9)	90.5	+12.7	176.5	+4.5
Operating income	34.5	(9.6)	40.5	+29.2	75.0	+7.9
Income before income taxes	36.0	(9.2)	42.0	+26.3	78.0	+7.0
Net income	22.5	(9.5)	26.5	+22.0	49.0	+5.2

*1 Growth ratio against the same term of the previous year
*2 Sales forecast by quarter [Q1:107.0、Q2:108.0、Q3:118.0、Q4:112.0] (Billions of YEN)

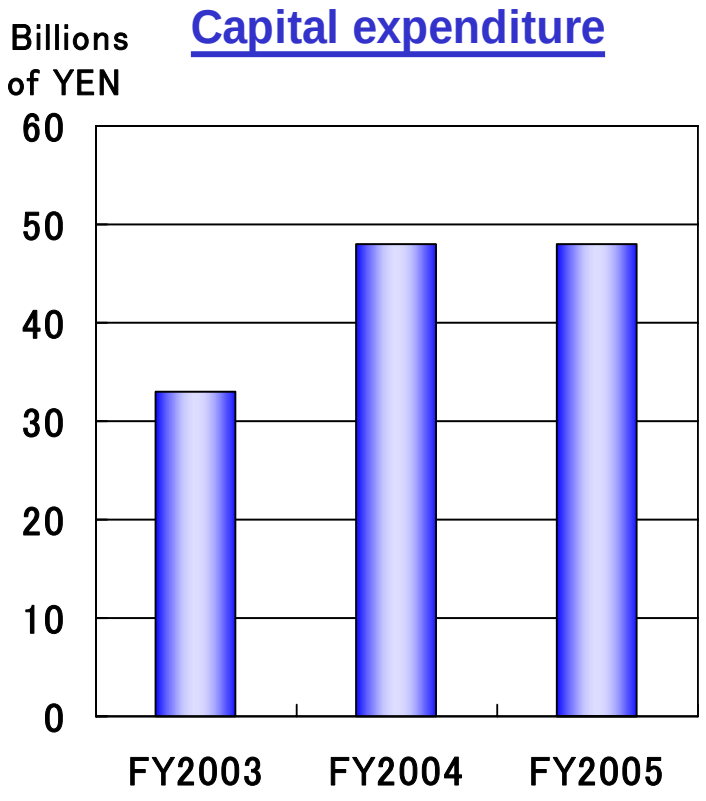
Capital expenditures

〈FY2005 Plan〉

48 billion yen

– the same level as in FY2004

- Production capacity increase and cost reduction
- R&D to create new products
- New building and production line of MLCCs in our Wuxi plant in China

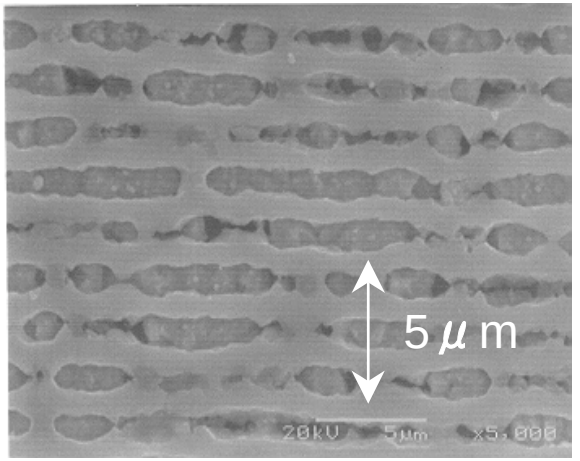


Large-capacitance MLCCs

- Established mass-production technology for thin layer dielectrics
  - Commercialized large-capacitance MLCCs using leading-edge 1.0 μm thin-layer dielectrics
  - Sales for 1608 size 10 μF products and 2012 size 22 μF products are rapidly increasing

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

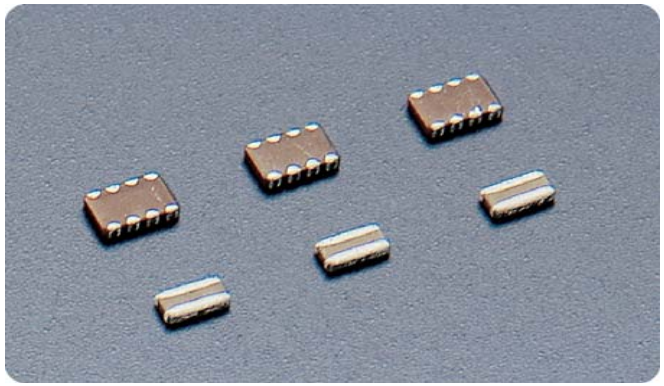
1.0 μm thin-layer dielectrics



- Promoting the replacement for electrolytic capacitors
- Increase of demand due to the trend toward miniaturization and functional sophistication of mobile equipment, PCs, digital AV equipment and game machines

Application-specific capacitors

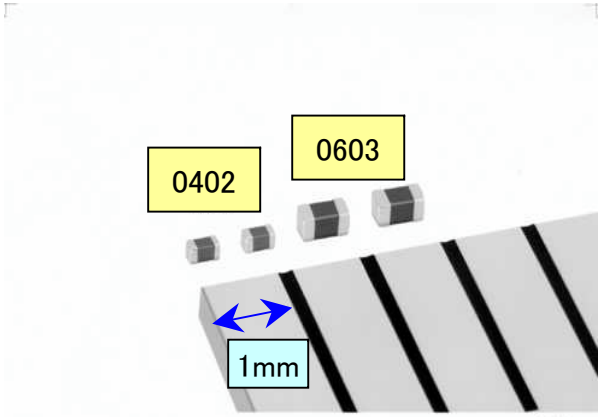
- Low-ESL type capacitors
  - We hold a large share in application-specific capacitors among the limited number of capacitor manufacturers
  - Due to the multi-core trend in MPUs, demand for low-ESL type and large-capacitance MLCCs are projected to increase
  - Expansion of markets outside PCs, such as game machines and servers



Chip Monolithic Ceramic Capacitors (low-inductance type)

Small size MLCCs

- "0603"size
  - Adopted for use in power amplifier module
  - Expansion of applications such as mobile phone main boards, digital still-cameras, and portable game machines
  - The unit sales in FY2004 doubled compared with the previous term



0.4×0.2mm、0.6×0.3mm Size Ceramic Capacitors

- "0402"size
  - Murata was the first in the industry to commercialize
  - Increasingly being used in mobile phone power amplifier modules

Bluetooth® Module

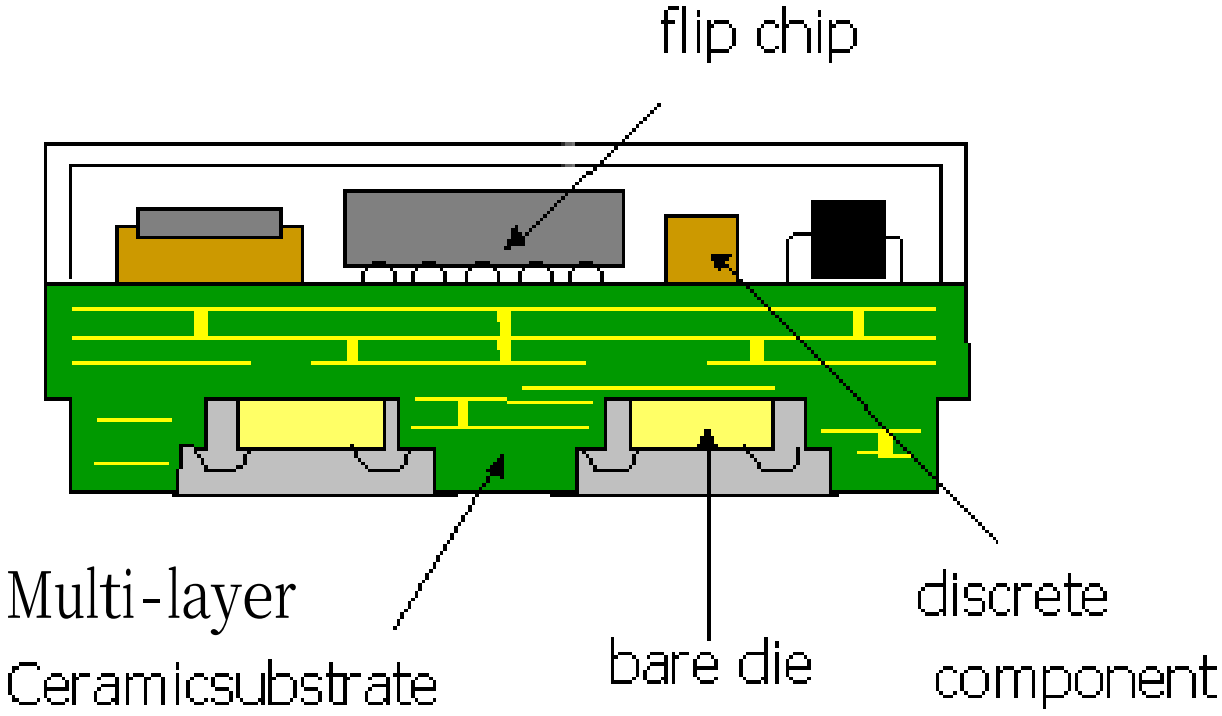
- Bluetooth® Market
  - The ratio of Bluetooth® equipped phones among mobile phones will increase from about 10% in 2H FY2004 to about 20% by 2H FY2005

- Bluetooth® Modules
  - Recently more of the major mobile phone manufactures have been adopting
  - The ratio of products made with LTCC, for which raw materials are manufactured internally, will increase greatly in 2H FY2005

We plan a large expansion for Bluetooth® Modules in FY2005

muRata

<Structure>



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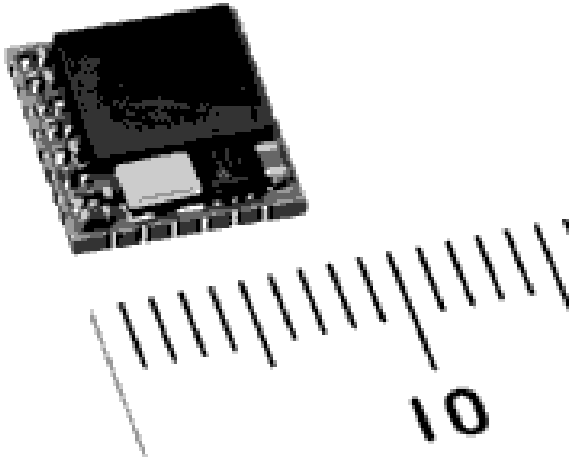
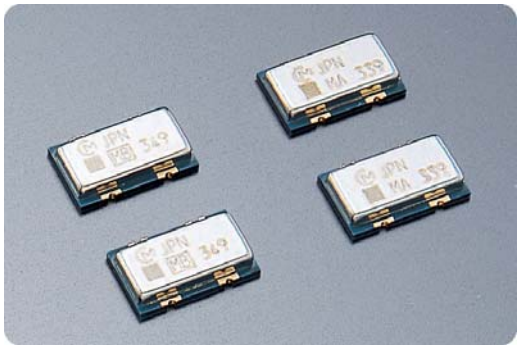
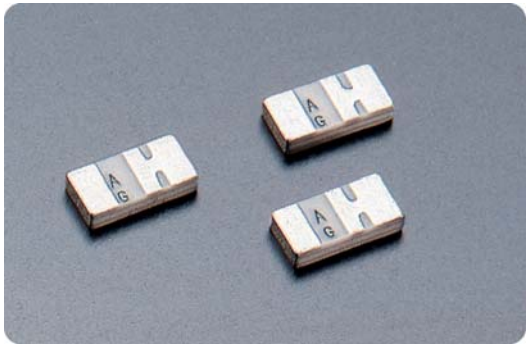


Sensor-Related Products

- GYROSTAR®
  - Increasing in the digital still-camera market as an image stabilization component



- Shock sensor
  - Sales for vibration detection are growing with the expansion of the HDD-equipped mobile market
  - A very high share in the market
  - We possess effective patents



We plan an over 10% increase in sales for sensor products in FY2005

Power Supplies

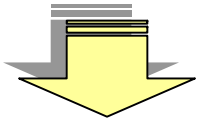
- Commercialized energy saving, highly efficient, compact, low profile power supplies for FAX and copying machine by using our circuit design and production technologies
- Rapidly gaining sales for the growing digital equipment such as PDPs and LCDs

We plan to strengthen the power supply business further by applying our accumulated circuit design technology and by utilizing outside resources

Noise suppression components

Increasing demand for noise suppression products

The trend towards digitalization and functional sophistication has resulted in an increased level of electronic noise that is detrimental to the performance of electronic equipment



- We provide a wide variety of noise suppression components applicable to various circuits such as;

  chip ferrite beads, chip common-mode choke coils and chip coils (winding type, multi-layer type, film type)

Sales of our noise suppression components have steadily grown in the past few years

Noise suppression component products

- Chip ferrite bead EMI filters (BLM)
  - –A DVD recorder uses about 70 units
- Chip three-terminal capacitors (NFM)
  - –Having special noise suppression characteristics for power supply lines
  - –A DVD recorder uses about 10 units
- Chip coils (LQW/LQG/LQP)
  - –A mobile phone requires about 30 units
- Chip common-mode choke coils (DCC)
  - –Effectively removing noise generated by a high-speed interface such as USB 2.0

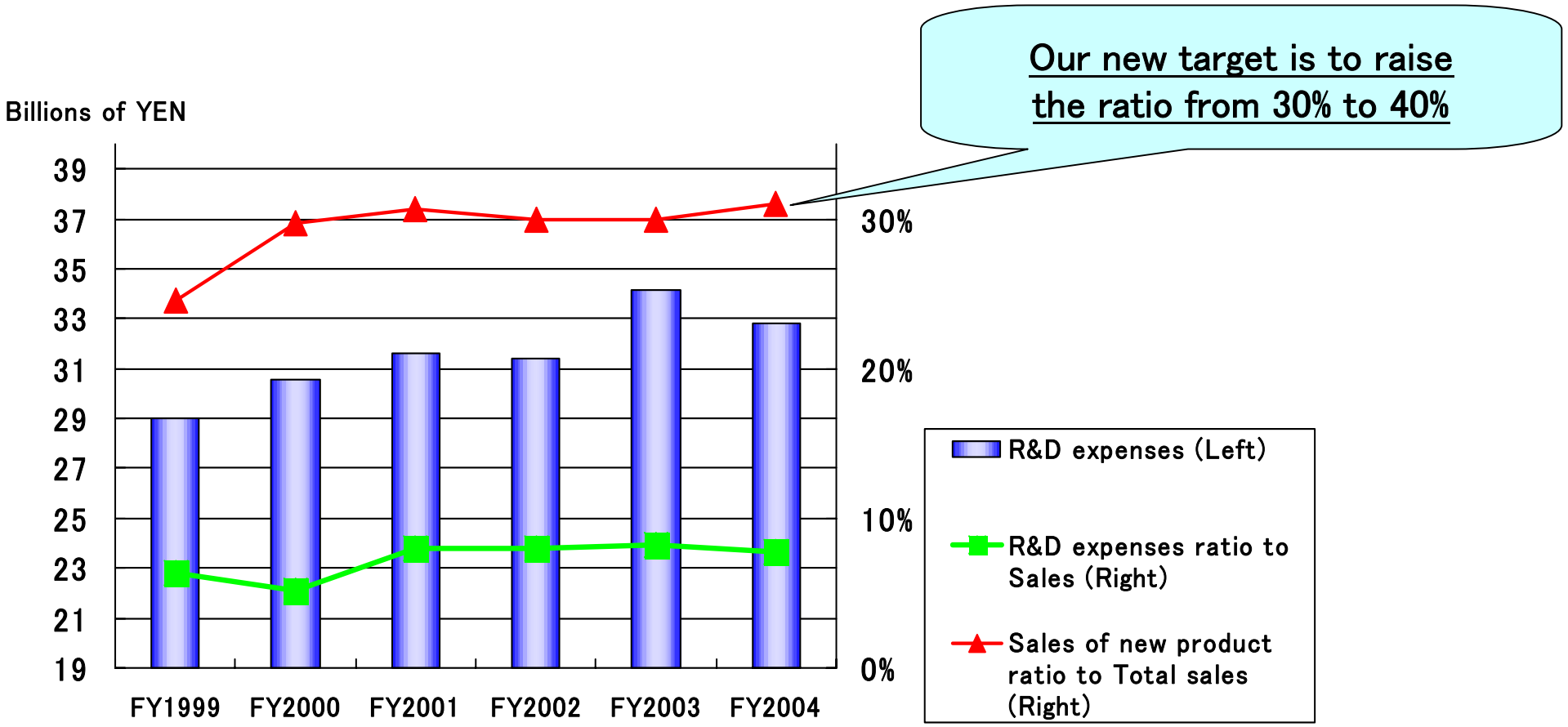
BLM Series

NFM21P Series

LQW/LQG/LQP Series

DLP/DLW31S Series

R&D Expenses

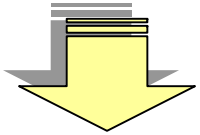


***R&D expenses in FY2003 includes 1,413 million yen related to the Termination and Retirement Plan**

Promising Markets

Expansion of the wireless telecommunication market with the advent of the "*ubiquitous network society*"

- Wireless telecommunication equipment to realize mobile networking has already created a huge market
- In the future, the wireless telecommunication technology should be used for all kinds of situations from automobiles to home security



As we advance into the ubiquitous network society, electronic technology is expected to evolve and grow further

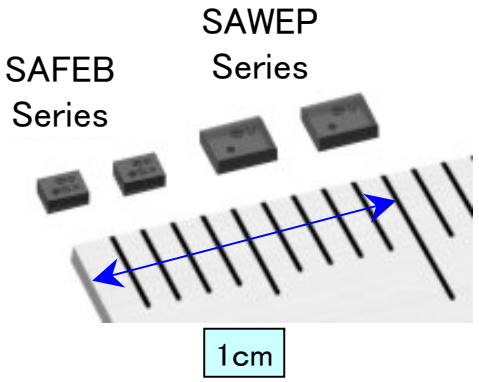
Promising Markets

A strong advantage in the wireless telecommunication market

– Capacitors and noise suppression components

Our share of SAW filter is increasing

– Commercialization of the smallest class SAW filters by applying chip-size packaging (CSP) technology



Sophistication and downsizing through module products using LTCC

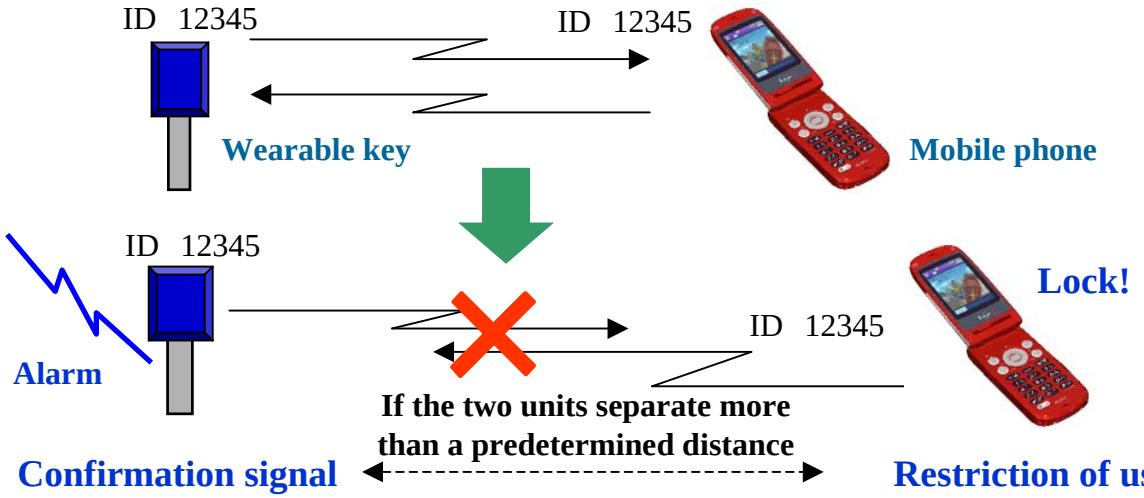
– Creating high value added Bluetooth® modules

– Commercialized the world's smallest class wireless LAN modules

Commercialization of a multi-task communication module

- Information terminals handle a huge amount of data and are equipped with an electronic money feature
- Personal identification technology for security purpose becomes important
- The market volume in the security use including mobile phones is large

The mechanism of the wireless authentication system



Promising Markets

Antennas are essential electronic components for wireless telecommunication equipment

- Demand is expected to increase as the market for multi-band mobile phones expands
- We will establish our antenna business, working on main antennas using CERABRID™, which is complex dielectric material made from high-frequency dielectric ceramic powder and heat-resistant resin

antenna using CERABRID™

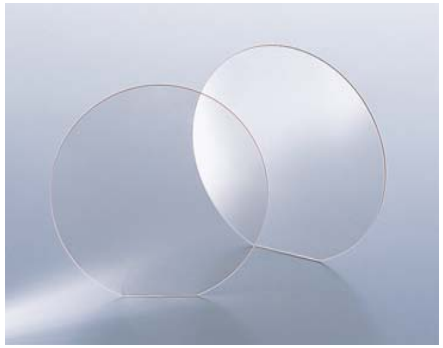
Compact digital terrestrial tuner

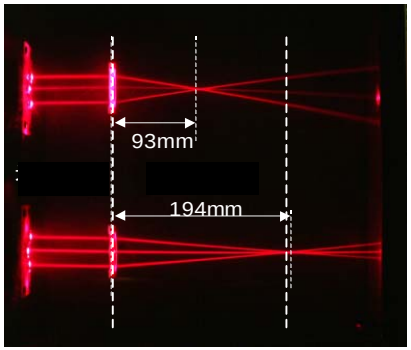
- Utilizes our module downsizing technology

Promising Markets

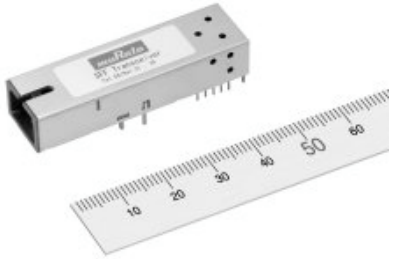
We are expanding our activities from microwave technology to millimeter wave technology and the field of optics

- Transparent Ceramics (LUMICERA™)





- Optical Transceiver



Automobile electronics

Our approach to the automobile market

①Telecommunication

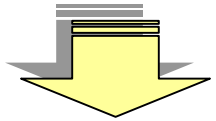
- For car navigation system, Automotive LAN, ETC (Electronic Toll Collection), our existing microwave technology is utilized widely
- Demand for LTCC circuit boards is also expected to increase

②Safety

- TPMS (Tire Pressure Monitoring System) solutions

③Environment

- Developing sound velocity sensors for fuel cells and piezoelectric actuators for fuel injection system

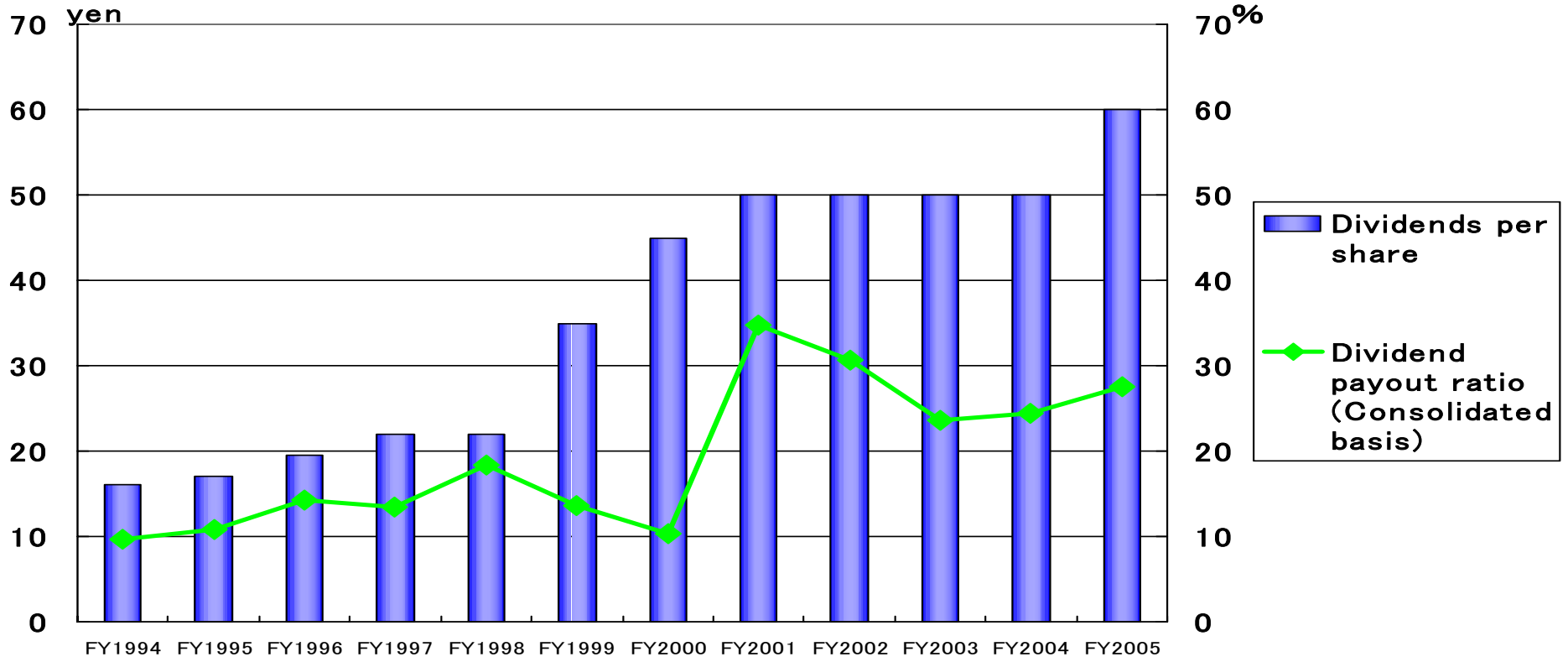


The present sales ratio for the automobile electronics market is 12%.
We anticipate further growth in sales through our efforts.

Dividends (consolidated)

<Dividends per share>

FY1998: 22yen → FY2005：60yen (estimated)

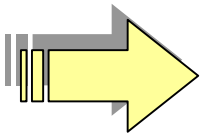


Share Buy-Back

Total number of shares and purchase cost

– From July 2002 to May 2005

Numbers of Shares	Purchase Cost
20.6 million shares	113.3 billion yen



Canceled 19 million shares

The return to shareholders ratio

(Billions of Yen, %)

	FY2002	FY2003	FY2004	Total
a. Net income	¥39.5	¥48.5	¥46.6	¥134.6
b. Share buy-back	¥48.1	¥32.1	¥27.2	¥107.5
c. Dividend	¥11.9	¥11.6	¥11.3	¥34.8
d. Dividend payout ratio (=c/a)	30.6%	23.7%	24.4%	25.9%
e. Share buy-back/ Net income (=b/a)	122.0%	66.2%	58.3%	79.8%
f. The return to shareholders ratio* (=(b+c)/a)	152.6%	89.8%	82.7%	105.7%

*The return to shareholders ratio: The total of dividend and repurchased stock value divided by the net income

- **These statements with respect to Murata's estimates, strategies, beliefs and other statements that are not historical facts are based on management's assumptions and beliefs in light of the information currently available to it and involve uncertainties. Therefore, you should not place undue reliance on them.**
- **Murata undertakes no obligation to update the information contained in any portion of these statements.**