

Consolidated Financial Flash Report (March 31, 2010)

Date: April 30, 2010

Company Name : Murata Manufacturing Co., Ltd.

Listing Code : 6981

(URL <http://www.murata.com/>)

Phone : (075) 955-6525

Stock Exchange Listings:

Tokyo Stock Exchange

Osaka Securities Exchange

Stock Exchange of Singapore

1. Consolidated Financial results for the year ended March 31, 2010

(1) Operating results (Years ended March 31, 2010 and 2009)

	Net sales		Operating income (loss)		Income (loss) before income taxes		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2010	530,819	< 1.3 >	26,730	< - >	34,658	< - >	24,757	<590.0>
2009	523,946	<(17.1)>	(16,287)	< - >	(10,319)	< - >	3,588	<(95.4)>

	Basic earnings per share	Diluted earnings per share	Return on equity (ROE)	Income (loss) before income taxes / total assets	Operating income (loss) / net sales
	Yen	Yen	%	%	%
2010	115.35	115.35	3.1	3.8	5.0
2009	16.48	16.48	0.4	(1.1)	(3.1)

* Percentages in the fields of Net sales and Net income are the growth ratios against the previous fiscal year.

* The Companies' "Net income" is computed in the same method as for "Net income attributable to the Company's shareholders" under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 810, "Consolidation" (the provisions which were previously included in Statement of Financial Accounting Standards No. 160, "Noncontrolling Interests in Consolidated Financial Statements - an amendment of ARB No.51") in the United States of America.

(2) Financial position (As of March 31, 2010 and 2009)

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
2010	928,790	800,857	86.2	3,731.34
2009	909,327	784,342	86.3	3,654.34

(3) Cash flows (Years ended March 31, 2010 and 2009)

	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
2010	107,303	(93,261)	(22,379)	108,777
2009	76,521	(18,106)	(43,814)	117,502

2. Dividends (Years ended March 31, 2010 and 2009, and the year ending March 31, 2011)

	Cash dividends per share					Cash dividends (Total)	Consolidated basis	
	First Quarter	Second Quarter	Third Quarter	Year-end	Total		Payout ratio	Dividend on equity (DOE)
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
2009	-	50.00	-	50.00	100.00	21,703	606.8	2.7
2010	-	35.00	-	35.00	70.00	15,024	60.7	1.9
2011(Projected)	-	50.00	-	50.00	100.00	-	48.8	-

3. Projected financial results for the six months ending September 30, 2010 and the year ending March 31, 2011 (Consolidated basis)

	Net sales		Operating income		Income before income taxes		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending Sep. 30, 2010	300,000	<17.4>	33,000	<441.0>	35,000	<351.6>	23,000	<384.9>	107.16
Year ending March 31, 2011	590,000	<11.1>	62,000	<131.9>	66,000	< 90.4>	44,000	< 77.7>	205.00

* Percentages in the fields of Net sales, Operating income, Income before income taxes and Net income for the six months ending September 30, 2010 are the growth ratio against the six months ended September 30, 2009.

Percentages for the year ending March 31, 2011 are the growth ratio against the previous year.

4. Other

(1) Changes in significant subsidiaries (changes in specific subsidiaries that caused change in scope of consolidation) : None

(2) Changes in accounting principle, method and representation

The Company changed accounting principle, method and representation.

*See "Changes in accounting principle, method and representation " for more detailed information.

(3) Number of common shares outstanding

Number of shares outstanding including treasury stock: 225,263,592 shares as of March 31, 2010 and 2009

Number of treasury stock: 10,633,763 shares as of March 31, 2010 and 10,630,495 shares as of March 31, 2009

Average number of shares outstanding: 214,631,432 shares for the year ended March 31, 2010 and 217,761,262 shares for the year ended March 31, 2009

*See "Amounts per Share" for the average common shares outstanding, which is the basis of computation of earnings per share.

[Reference] Financial Results on Parent Company Basis

1. Financial results for the year ended March 31, 2010

(1) Operating results (Years ended March 31, 2010 and 2009)

	Net sales		Operating income (loss)		Income before income taxes and extraordinary items		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2010	459,357	< 5.2 >	8,080	< - >	18,598	<130.9>	16,311	<221.8>
2009	436,625	<(17.8)>	(8,045)	< - >	8,056	<(85.7)>	5,068	<(88.3)>

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
2010	76.00	-
2009	23.27	-

*1 Percentages in the fields of Net sales, Income before income taxes and extraordinary items, and Net income are the growth ratios against the previous year.

*2 The diluted earnings per share is not stated, since there were no dilutive potential securities.

(2) Financial position (As of March 31, 2010 and 2009)

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
2010	576,508	399,467	69.3	1,861.19
2009	528,987	398,826	75.4	1,858.18

2. Projected financial results for the six months ending September 30, 2010 and the year ending March 31, 2011 (Parent Co. basis)

	Net sales		Operating income		Income before income taxes and extraordinary items		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending Sep. 30, 2010	247,000	<12.4>	8,300	<375.6>	14,800	<134.9>	12,000	<95.0>	55.91
Year ending March 31, 2011	482,000	< 4.9>	15,500	< 91.8>	28,000	< 50.6>	22,000	<34.9>	102.50

*Notes to the projected financial results

The above projections were prepared based on estimates using information currently available.

Actual results may differ from the projections. For assumptions and other information regarding the projections, refer to "Business Results and Financial Position".

Business Results and Financial Position

(from April 1, 2009 through March 31, 2010)

1. Business Results

(1) General Overview

During the period under review, the final demand in the global electronics markets, which drastically diminished after the financial crisis in the autumn before last, has swiftly picked up since last spring, reflecting a rebound from sharp inventory adjustment in the electronics industry. The strong demand continued after last summer for the year-end shopping season in Europe and the U.S. and for the Chinese New Year in Greater China, supported by the economic stimulus packages implemented by major countries and demand expansion in emerging countries such as China. As a result, the production of key electronic equipment (mobile phones, personal computers and flat-screen TVs etc.) exceeded that of the previous year.

In the mobile phone market, new subscribers increased in emerging countries, especially in China and India. Also, replacement demand for high-end models such as third-generation (3G) phones and smartphones expanded.

In the personal computer market, consumer sales grew mainly for notebook computers, thanks to the launch of the new operating systems. Owing to strong sales of personal computers and high demand for external storage, sales of hard disk drives showed steady growth.

In the digital AV market, replacement from CRT-TVs to flat-screen TVs has progressed, because of further price decline and governments' initiatives to lift the demand mainly in China and Japan.

In the automotive electronics market, although the production of automobiles did not reach the level of the previous year, the electrification of vehicles has further advanced with the penetration of hybrid electric vehicles.

Under these market environments, the Company has expanded production capacity through productivity improvement in response to sharp demand increase from last spring. It has also improved customer satisfaction by integrating and reinforcing sales, marketing and engineering functions in Greater China, where rapid growth is continuing. In addition, aiming at boosting profitability, it has steadily implemented the streamlining of manufacturing processes and the comprehensive reduction of indirect expenses to cope with price decline and severe competition with Asian competitors.

(2) Consolidated Results Overview

As a result, the Company's business results for the period under review are as follows:

	Millions of yen					
	Year ended March 31, 2009		Year ended March 31, 2010		Growth	
		%*1		%*1		%
Net sales	523,946	100.0	530,819	100.0	6,873	1.3
Operating income (loss)	(16,287)	(3.1)	26,730	5.0	43,017	-
Income (loss) before income taxes	(10,319)	(2.0)	34,658	6.5	44,977	-
Net income	3,588	0.7	24,757	4.7	21,169	590.0

*1 Ratio to net sales

< Net Sales >

Net sales for this fiscal year increased to 530,819 million yen, up 1.3% from the previous year. Sales of electronic components and related products, the main products of the Company, posted 528,813 million yen.

< Operating Income >

Operating income for this fiscal year returned to profitability of 26,730 million yen from the previous year (operating loss: 16,287 million yen). The primary factors contributing to this improvement were sales growth and profitability improvement measures such as reduction of indirect expenses implemented in response to operating loss for the previous fiscal year. These positive effects exceeded the negative impact from price decline and the appreciation of the yen whose average rate rose to 92.85 yen by 7.69 yen year-on-year against the U.S. dollar.

< Income Before Income Taxes and Net Income >

Income before income taxes for this fiscal year was 34,658 million yen (loss before income taxes of the previous year: 10,319 million yen). Net income was 24,757 million yen (net income of the previous year: 3,588 million yen).

(3) Sales by Product Category

Net sales by product category for the period under review compared with the figures for the previous fiscal year are as follows:

	Millions of yen					
	Year ended March 31, 2009		Year ended March 31, 2010		Growth	
		%*1		%*1		%
Capacitors	180,588	34.6	178,877	33.8	(1,711)	(0.9)
Piezoelectric Components	76,294	14.6	82,270	15.6	5,976	7.8
Other Components	103,319	19.8	98,222	18.6	(5,097)	(4.9)
Components Total	360,201	69.0	359,369	68.0	(832)	(0.2)
Communication Modules	106,634	20.5	123,056	23.2	16,422	15.4
Other Modules	54,937	10.5	46,388	8.8	(8,549)	(15.6)
Modules Total	161,571	31.0	169,444	32.0	7,873	4.9
Net sales	521,772	100.0	528,813	100.0	7,041	1.3

*1 Component ratio

< Components >

Sales of Components for the period under review declined by 0.2% year-on-year to 359,369 million yen.

[Capacitors]

The Capacitors category includes multilayer ceramic capacitors, disc ceramic capacitors and trimmer capacitors.

For the period under review, sales of multilayer ceramic capacitors, the main product in this category, increased largely in quantity but increased slightly in value terms, partially offset by price decline and the appreciation of the yen.

Sales of application-specific capacitors for computers and peripherals dropped significantly because of price decline, although sales volume increased with expansion of the personal computer market.

As a result, overall net sales decreased by 0.9% year-on-year to 178,877 million yen.

[Piezoelectric Components]

The Piezoelectric Components category includes SAW (surface acoustic wave) filters, ceramic resonators, piezoelectric sensors, ceramic filters and piezoelectric buzzers.

For the period under review, sales of SAW filters suffered a little decrease in value terms because of price decline, although sales quantity increased sharply owing to growing production of mobile phones and data cards.

Sales of ceramic resonators dropped slightly. Sales rose favorably for AV equipment and automotive electronics but were sluggish for other applications.

Piezoelectric sensors attained solid growth in sales of shock sensors for hard disk drives and ultrasonic sensors for back sonar.

Sales increased largely for piezoelectric speakers used in portable media players and for piezoelectric actuators used in fuel injection of automobile diesel engines in the European market.

As a result, overall net sales increased by 7.8% year-on-year to 82,270 million yen.

[Other Components]

Other Components include EMI (electro-magnetic interference) suppression filters, inductors (coils), gyro sensors, resistors, connectors and isolators.

For the period under review, sales of EMI suppression filters suffered a drop. Sales increased for AV equipment and automotive electronics but were sluggish for other applications.

Inductors (coils) and connectors showed steady growth in sales for wireless communication equipment.

Sales of thermistors were strong for use in compressor starters in refrigerators and temperature detectors in mobile electronic devices.

Sales of gyro sensors decreased. Although sales increased significantly for use in satellite navigation systems, sales for digital still cameras and digital video camcorders dropped.

In spite of growth for use in data cards, sales of isolators for use in mobile phones, the main application of the product, slowed down, resulting in severe drop as a whole.

As a result, overall net sales decreased by 4.9% year-on-year to 98,222 million yen.

< Modules >

Sales of Modules for the period under review increased by 4.9% year-on-year to 169,444 million yen.

[Communication Modules]

The Communication Modules include short-range wireless communication modules, multilayer ceramic devices and circuit modules.

For the period under review, sales of wireless LAN modules grew greatly for mobile phones and portable media players.

Sales of multilayer ceramic devices for mobile phones and data cards displayed healthy growth.

Circuit modules decreased significantly in sales of digital terrestrial TV tuners used in mobile phones but increased sharply in sales of wireless communication modules.

As a result, overall net sales posted a year-on-year increase of 15.4% to 123,056 million yen.

[Other Modules]

This product category includes power supplies.

In spite of sharp growth for use in satellite navigation systems, sales of power supplies for use in flat-screen TVs, servers, and office automation equipment such as printers and copiers were stagnant, resulting in sharp decrease as a whole.

As a result, overall net sales posted a year-on-year decline of 15.6% to 46,388 million yen.

2. Financial Position

Liquidity in hand (cash, short-term investments and available-for-sale securities (government and private debt securities)) as of March 31, 2010 increased by 55,211 million yen from March 31, 2009 to 360,842 million yen. Property, plant and equipment declined by 43,017 million yen from the end of the previous fiscal year to 285,265 million yen because of the advance of depreciation and amortization. Inventories decreased by 4,888 million yen to 89,216 million yen owing to robust sales. As a result, total assets as of March 31, 2010 increased by 19,463 million yen from the end of the previous fiscal year to 928,790 million yen.

Although shareholders' equity rose by 16,515 million yen, the ratio of shareholders' equity to total assets decreased by 0.1 percentage points from the end of the previous fiscal year to 86.2% as of March 31, 2010 mainly owing to increase in total assets.

The changes in net cash for the period under review are as follows:

< Net Cash Provided by Operating Activities >

For the period under review, funds provided by operating activities were 107,303 million yen. Net income, a major source of operating cash flows, was 24,757 million yen, depreciation and amortization was 69,896 million yen, and cash inflows from decrease in prepaid expenses and other were 16,563 million yen.

As a result, net cash inflows from operating activities increased by 30,782 million yen from the year ended March 31, 2009.

< Net Cash Used in Investing Activities >

For the period under review, net cash used in investing activities was 93,261 million yen. While cash inflows from maturities and sales of marketable securities, investments and other were 86,712 million yen, cash outflows from capital expenditures were 22,868 million yen and cash outflows from purchases of marketable securities, investments and other were 159,411 million yen since investments in long-term bonds increased.

Consequently, net cash outflows from investing activities increased by 75,155 million yen from the year ended March 31, 2009.

< Net Cash Used in Financing Activities >

For the period under review, net cash used in financing activities was 22,379 million yen. Cash outflows from decrease in short-term borrowings were 3,977 million yen and dividends paid were 18,243 million yen.

Accordingly, net cash outflows from financing activities decreased by 21,435 million yen from the year ended March 31, 2009.

3. Projected Results for the Year Ending March 31, 2011

		Consolidated Basis			Parent Co. Basis		
		2010 (Actual)	2011 (Projection)	Growth ratio	2010 (Actual)	2011 (Projection)	Growth ratio
Net sales	Millions of yen	530,819	590,000	11.1	459,357	482,000	4.9
Operating income	<%>*2 Millions of yen	<5.0>	<10.5>	131.9	<1.8>	<3.2>	91.8
Income before income taxes (and extraordinary items) *1	<%>*2 Millions of yen	<6.5>	<11.2>	90.4	<4.0>	<5.8>	50.6
Net income	<%>*2 Millions of yen	<4.7>	<7.5>	77.7	<3.6>	<4.6>	34.9

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

*2 Ratio to net sales

For the year ending March 31, 2011, we expect that production of major products in the global electronics markets will increase continuously. In the mobile phone market, demand for high-end models such as third-generation (3G) phones and smartphones will grow more rapidly as 3G mobile phone services start in emerging countries. We assume that in the personal computer market, demand for corporates will pick up as well as for individuals. Demand for hard disk drives is also projected to grow significantly, owing to increase in demand for corporate and individual customers, and rise in production for use in servers. In the digital AV market, demand for flat-screen TVs will expand, thanks to the spread of new technologies such as LED TVs and 3D TVs.

Based on this outlook, we project the consolidated net sales for the next fiscal year to increase by 11.1% year-on-year to 590,000 million yen by strengthening the sales and marketing for these high-growth markets.

We forecast operating income of 62,000 million yen, up 131.9% year-on-year, income before income taxes of 66,000 million yen, up 90.4% year-on-year, and net income of 44,000 million yen, up 77.7% year-on-year. While there will be negative factors such as continuing price decline and the appreciation of the yen against the U.S. dollar by 2.85 yen year-on-year, they will be offset by continuous introduction of new products and comprehensive cost reduction.

The projections are based on the assumed exchange rates of 90 yen against the U.S. dollar and 125 yen against the Euro for the year ending March 31, 2011.

We are planning 45,000 million yen of capital expenditures for the year ending March 31, 2011 mainly in use for investments in boosting production capacity for new products and high-growth products, in streamlining production processes, and in research and development.

4. Basic Policy on Profit Distribution and Dividends for the Year Ended March 31, 2010 and the Year Ending March 31, 2011

Murata's basic policy of profit distribution to shareholders is to prioritize the sharing of gains through payment of dividends, and to steadily raise them by increasing profit per share, while enhancing Murata's long-term corporate value and strengthening its corporate structure. In accordance with this policy, our dividends are determined after comprehensively considering our business performance and dividend payout ratio on a consolidated basis, as well as the accumulation of internal reserves necessary for reinvestment to ensure future growth.

We also regard the repurchase of our own shares as an alternative means of returning profit to shareholders and have been buying back shares in order to improve capital efficiency.

For the year ended March 31, 2010, we plan to pay a year-end dividend of 35 yen per share. Combined with the interim dividend previously paid, this will bring the annual dividend to 70 yen.

In light of the operating results, payout ratio and earnings retention for reinvestment for future growth, we plan to pay an annual dividend of 100 yen per share (comprising interim and year-end dividend of 50 yen per share each) for the fiscal year ending March 31, 2011, a 30 yen increase from the previous year. These figures reflect our view of the current business environment and our projections for the year ending March 31, 2011.

[Cautionary Statement on Forward-looking Statements]

This report contains forward-looking statements concerning Murata Manufacturing Co., Ltd. and its Group companies' projections, plans, policies, strategies, schedules, and decisions. These forward-looking statements are not historical facts; rather, they represent the assumptions of the Murata Group based on information currently available and certain assumptions we deem as reasonable. Actual results may differ materially from expectations owing to various risks and uncertainties. Readers are therefore requested not to rely on these forward-looking statements as the sole basis for evaluating the Group. The Company has no obligation to revise any of the forward-looking statements as a result of new information, future events or otherwise.

Risks and uncertainties that may affect actual results include, but are not limited to, the following: (1) economic conditions of the Company's business environment, and trends, supply-demand balance, and price fluctuations in the markets for electronic equipment and components; (2) price fluctuations and insufficient supply of raw materials; (3) exchange rate fluctuations; (4) the Group's ability to provide a stable supply of new products that are compatible with the rapid technical innovation of the electronic components market and to continue to design and develop products and services that satisfy customers; (5) changes in the market value of the Group's financial assets; (6) drastic legal, political, and social changes in the Group's business environment; and (7) other uncertainties and contingencies.

Murata Manufacturing Co., Ltd. and Subsidiaries

The main business of Murata Manufacturing Co., Ltd. (the Company) and its subsidiaries (the Companies) is the development, manufacturing and sales of electronic components and related products, Components (such as capacitors, piezoelectric components) and Modules (such as communication modules).

The relationships among the Companies in the business of manufacturing and sales of electronic components as of March 31, 2010 are as follows.

[Manufacturing and sales of electronic components]

Murata Manufacturing Co., Ltd. (the Company)

The Company manufactures semi-finished products for various electronic components and supplies them to its manufacturing subsidiaries in Japan and abroad. The Company also sells finished products, which are manufactured by the Companies, to customers in Japan and abroad, and to its sales subsidiaries.

Subsidiaries in Japan

The Company's manufacturing subsidiaries in Japan purchase semi-finished products from the Company, complete the manufacturing into finished products, and resell them to the Company, who sells them to its customers.

The Company's sales subsidiary in Japan sells finished products, which are manufactured by the Companies, to customers in Japan with small lot orders.

Overseas subsidiaries

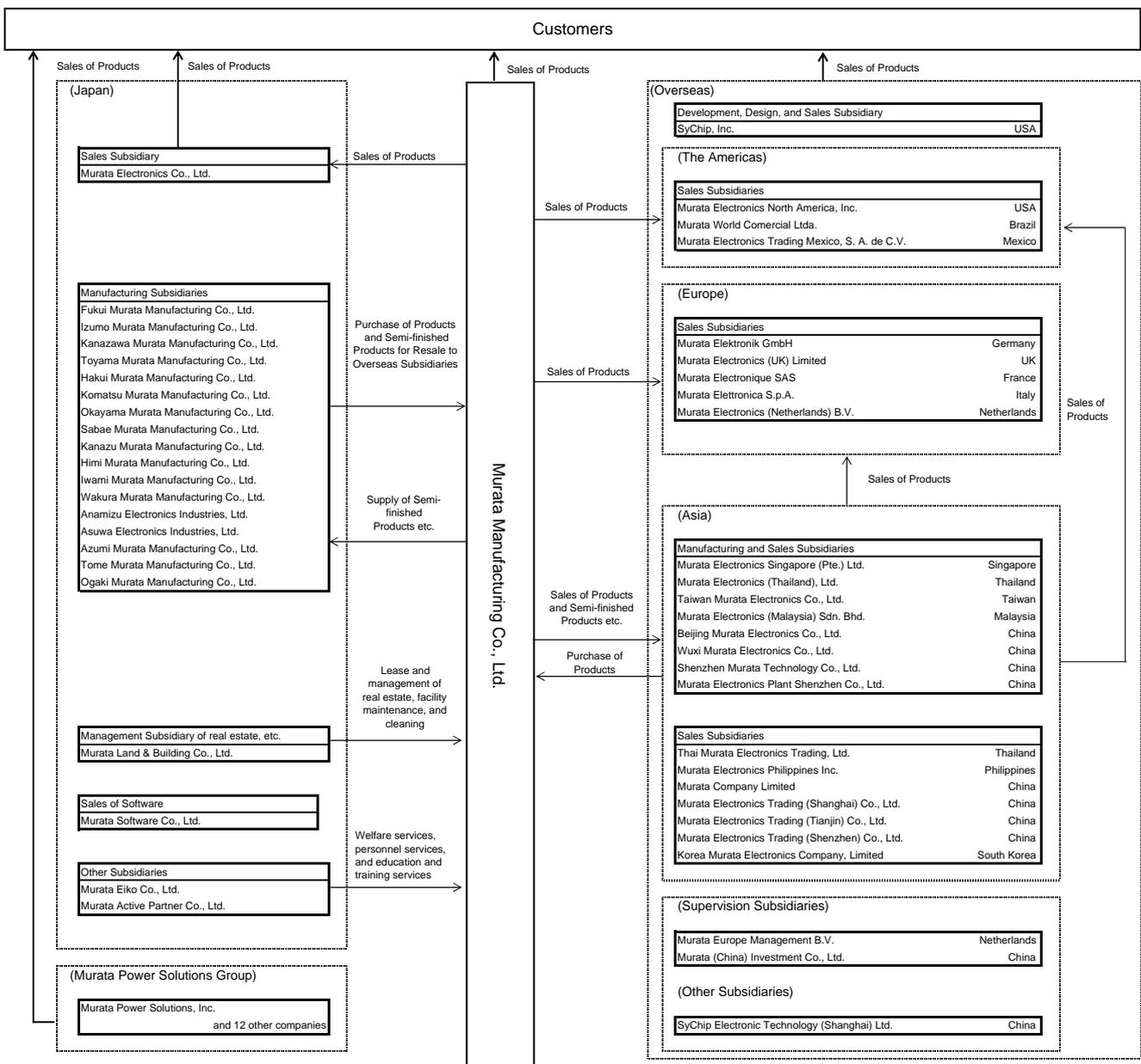
The Company's overseas manufacturing subsidiaries purchase semi-finished products from the Company, complete the manufacturing into finished products and sell the products mainly to overseas customers and overseas sales subsidiaries.

The Company's overseas sales subsidiaries sell finished products, which are manufactured by the Companies.

The supervision subsidiaries conduct market research activities in their corresponding areas, and supervise the Company's subsidiaries located in the areas.

[Others]

Eight subsidiaries provide the following services: welfare services, personnel services, education and training services, lease and management of real estate, facility maintenance and cleaning, sales of software, etc.



* Other than the companies shown above, there are four consolidated subsidiaries.

Murata's Fundamental Management Policy

(1) Murata's Fundamental Management Policy

“New quality electronic equipment begins with new quality components, and new quality components begin with new quality materials.” Based upon this fundamental corporate principle, Murata pursues excellence in a broad range of technical disciplines from basic to advanced future technologies. In so doing, we develop and supply distinctive and innovative products, with the ultimate goal of contributing toward the advancement in the electronic society. We focus on the research and development of technological elements including electronic materials technology (e.g., ceramic materials), circuit design technology, processing technology (e.g., thin-film and micro-fabrication technology), and development technology for production equipment. By intelligently combining the achievements from these efforts, we create multilayer ceramic capacitors, ceramic piezoelectric products, noise suppression components, microwave devices, circuit modules, and other electronic components. These are indispensable for a range of electronic equipment from communication and information/computer-related devices to game consoles.

(2) Medium and Long Term Management Strategy / Challenges Facing the Company

The global electronics markets have recovered from the worldwide financial crisis occurred in the autumn before last, and the final demand for major equipment such as mobile phones, personal computers and digital AV equipment has returned to growing trends. The business environment surrounding the Company has picked up, owing to brisk market conditions. In this recovery phase, we have seen a structural shift in demand for electronic equipment from developed countries to emerging countries such as China. Also, new applications for electronic components have come into sight in areas of automotive electronics (e.g., EV, HEV), environment/energy (e.g., smart grid) and healthcare (e.g., Continua Health Alliance).

Based upon these changes in the market structure, the Company developed “Medium to Long Term Direction 2010”. In the Direction, we divided the market into three segments, the emerging economies market, the core market and the new market, and prepared strategies for each market.

In emerging countries, which are expected to enjoy relatively high economic growth amid economic slowdown in developed countries, the middle-income group (household income from US\$5,001 to US\$35,000 per annum) has been increasing rapidly. Demand for low-price electronic equipment has been drastically expanding amid such middle-income group, driving growth in the global electronic market. This structural change in the industry and severe competition with Asian competitors are putting downward pressure on the component prices.

The Company will, however, promote productivity improvement including the innovation of production technologies and comprehensive cost reduction measures including production expansion outside Japan, aiming to enhance price competitiveness and respond quickly to growing demand in the emerging market.

On the other hand, we believe that the trend towards smaller and thinner electronic equipment, and the shift to multiple and advanced functions are expected to further proceed in developed countries. Such high-end products will continue to create new demand in the core market, where

the technology innovation and state-of-the-art components are always requested by leading multinational customers. The Company will accelerate product development processes and promptly supply new, high value-added products in response to challenging needs of customers.

Furthermore, new fields for electronics are arising, such as automotive electronics, environment/energy and healthcare, resulting in steady expansion of the demand and fields of electronic components. In order to ensure sustainable growth in the long term, the Company is striving to expand its business areas by effectively making use of both internal and external resources. Since these new markets are expected to expand in the medium to long term, the Company intends to strengthen its sales and marketing force and enhance production capacity for the markets.

Where corporate social responsibility is concerned, the Company places equal emphasis on the economic, environmental and social perspectives, and is striving to fulfill corporate responsibilities from each perspective. As for corporate governance, we have set a policy on building the system for assuring appropriateness of operations (internal control systems). Taking into the considerations of all stakeholders, we are building a sound corporate management structure and system. Concrete actions include improving management efficiency, strengthening management-monitoring functions, and ensuring thorough compliance with all relevant laws and regulations.

(1) Consolidated Balance Sheets (Assets)

As of March 31, 2010 and 2009

	Millions of Yen			
	2009		2010	
		%		%
Assets	909,327	100.0	928,790	100.0
Current assets	440,707	48.5	388,141	41.8
Cash	46,296		66,688	
Short-term investments	93,790		63,986	
Marketable securities	83,342		32,793	
Trade notes receivable	3,494		2,088	
Trade accounts receivable	80,578		109,942	
Allowance for doubtful notes and accounts	(1,013)		(1,021)	
Inventories	94,104		89,216	
Deferred income taxes	16,363		17,378	
Prepaid expenses and other	23,753		7,071	
Property, plant and equipment	328,282	36.1	285,265	30.7
Land	43,899		43,829	
Buildings	267,737		272,070	
Machinery and equipment	567,299		570,701	
Construction in progress	20,979		12,162	
Accumulated depreciation	(571,632)		(613,497)	
Investments and other assets	140,338	15.4	255,384	27.5
Investments	90,138		207,958	
Deferred income taxes	20,496		9,654	
Other	29,704		37,772	
Total assets	909,327	100.0	928,790	100.0

Consolidated Balance Sheets (Liabilities and Shareholders' Equity)

As of March 31, 2010 and 2009

	Millions of Yen			
	2009		2010	
		%		%
Liabilities	124,985	13.7	127,933	13.8
Current liabilities	69,455	7.6	78,746	8.5
Short-term borrowings	9,240		5,476	
Trade notes payable	2,472		777	
Trade accounts payable	17,939		28,861	
Accrued payroll and bonuses	17,417		20,351	
Income taxes payable	1,405		3,226	
Accrued expenses and other	20,982		20,055	
Long-term liabilities	55,530	6.1	49,187	5.3
Long-term debt	17		11	
Termination and retirement benefits	53,593		46,496	
Deferred income taxes	889		1,812	
Other	1,031		868	
Shareholders' equity	784,342	86.3	800,857	86.2
Common stock	69,377		69,377	
Capital surplus	102,388		102,388	
Retained earnings	692,099		698,613	
Accumulated other comprehensive loss :	(31,462)		(21,447)	
Unrealized gains on securities	344		3,132	
Pension liability adjustments	(4,928)		3,167	
Unrealized losses on derivative instruments	(590)		(300)	
Foreign currency translation adjustments	(26,288)		(27,446)	
Treasury stock, at cost	(48,060)		(48,074)	
Total liabilities and shareholders' equity	909,327	100.0	928,790	100.0

(2) Consolidated Statements of Income

For the years ended March 31, 2010 and 2009

	Millions of Yen			
	2009		2010	
		%		%
Net sales	523,946	100.0	530,819	100.0
Cost of sales	398,112	76.0	382,877	72.1
Selling, general and administrative	95,289	18.2	79,563	15.1
Research and development	46,832	8.9	41,649	7.8
Operating income (loss)	(16,287)	(3.1)	26,730	5.0
Interest and dividend income	4,061	0.8	3,254	0.6
Interest expense	(478)	(0.1)	(67)	(0.0)
Foreign currency exchange gain	1,396	0.2	1,443	0.3
Other - net	989	0.2	3,298	0.6
Income (loss) before income taxes	(10,319)	(2.0)	34,658	6.5
Income taxes	(13,907)	(2.7)	9,901	1.8
<Current income tax>	< 4,434 >		< 7,293 >	
<Deferred income tax>	<(18,341)>		< 2,608 >	
Net income	3,588	0.7	24,757	4.7

(3) Consolidated Statements of Comprehensive Income

For the years ended March 31, 2010 and 2009

	Millions of Yen	
	2009	2010
Net income	3,588	24,757
Other comprehensive income (loss), net of tax :		
Unrealized gains (losses) on securities	(2,610)	2,788
Pension liability adjustments	(5,573)	8,095
Unrealized gains (losses) on derivative instruments	(606)	290
Foreign currency translation adjustments	(17,771)	(1,158)
Other comprehensive income (loss)	(26,560)	10,015
Comprehensive income (loss)	(22,972)	34,772

Consolidated Statements of Shareholders' Equity (Unaudited)
Murata Manufacturing Co., Ltd. and Subsidiaries

(4) Consolidated Statements of Shareholders' Equity

	Number of common shares issued	Millions of Yen				
		Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock
Balance at March 31, 2008	225,263,592	69,377	102,403	710,453	(4,902)	(33,101)
Purchases of treasury stock at cost						(15,025)
Disposal of treasury stock			(15)			66
Net income				3,588		
Cash dividends, Yen 100.00 per share				(21,942)		
Other comprehensive loss, net of tax					(26,560)	
Balance at March 31, 2009	225,263,592	69,377	102,388	692,099	(31,462)	(48,060)
Purchases of treasury stock at cost						(14)
Net income				24,757		
Cash dividends, Yen 85.00 per share				(18,243)		
Other comprehensive income, net of tax					10,015	
Balance at March 31, 2010	225,263,592	69,377	102,388	698,613	(21,447)	(48,074)

(5) Consolidated Statements of Cash Flows
Years ended March 31, 2010 and 2009

	Millions of Yen	
	2009	2010
Operating activities:		
Net income	3,588	24,757
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	80,978	69,896
Losses on sales and disposals of property, plant and equipment	411	181
Impairment losses for long-lived assets	506	-
Impairment losses for goodwill	9,777	-
Gains on sales of securities	(47)	-
Provision for termination and retirement benefits, less payments	1,039	3,970
Deferred income taxes	(18,341)	2,608
Changes in assets and liabilities:		
Decrease (increase) in trade notes and accounts receivable	39,183	(28,870)
Decrease in inventories	18,189	4,616
Decrease (increase) in prepaid expenses and other	(14,540)	16,563
Increase (decrease) in trade notes and accounts payable	(23,012)	9,259
Increase (decrease) in accrued payroll and bonuses	(4,953)	2,954
Increase (decrease) in income taxes payable	(10,973)	2,178
Decrease in accrued expenses and other	(7,528)	(369)
Other-net	2,244	(440)
Net cash provided by operating activities	76,521	107,303
Investing activities:		
Capital expenditures	(65,427)	(22,868)
Payment for purchases of marketable securities, investments and other	(21,575)	(159,411)
Maturities and sales of marketable securities, investments and other	84,664	86,712
Decrease in long-term deposits	3,000	1,000
Decrease (increase) in short-term investments	(19,338)	687
Other	570	619
Net cash used in investing activities	(18,106)	(93,261)
Financing activities:		
Net decrease in short-term borrowings	(6,821)	(3,977)
Dividends paid	(21,942)	(18,243)
Payment for purchases of treasury stock	(15,025)	(14)
Other	(26)	(145)
Net cash used in financing activities	(43,814)	(22,379)
Effect of exchange rate changes on cash and cash equivalents	(7,235)	(388)
Net increase (decrease) in cash and cash equivalents	7,366	(8,725)
Cash and cash equivalents at beginning of year	110,136	117,502
Cash and cash equivalents at end of year	117,502	108,777
Additional cash flow information:		
Interest paid	534	70
Income taxes paid (refund)	32,571	(11,349)
Additional cash and cash equivalents information:		
Cash	46,296	66,688
Short - term investments	93,790	63,986
Short - term investments with the original maturities over three months	(22,584)	(21,897)
Cash and cash equivalents at end of year	117,502	108,777

	Millions of Yen	
	As of March 31, 2009	As of March 31, 2010
Cash and cash equivalents at end of year	117,502	108,777
Short - term investments with the original maturities over three months	22,584	21,897
Available-for-sale securities (Governmental and Private debt securities)	165,545	230,168
Liquidity in hand	305,631	360,842

(6) Assumptions for Going Concern

None

(7) Basis of Preparation of Consolidated Financial Statements

1. Scope of consolidation and application of the equity method

(1) Number of consolidated subsidiaries: 66

Major consolidated subsidiaries:

Fukui Murata Manufacturing Co., Ltd.
Izumo Murata Manufacturing Co., Ltd.
Toyama Murata Manufacturing Co., Ltd.
Komatsu Murata Manufacturing Co., Ltd.
Kanazawa Murata Manufacturing Co., Ltd.
Okayama Murata Manufacturing Co., Ltd.
Murata Electronics North America, Inc.
Murata Electronics Singapore (Pte.) Ltd.
Murata Company Limited
Murata (China) Investment Co., Ltd.
Murata Electronics Trading (Shanghai) Co., Ltd.

(2) Number of unconsolidated subsidiaries: None

(3) Number of affiliated companies: None

2. Changes in scope of consolidation and application of the equity method

(Consolidated subsidiaries)

Nine companies were excluded from consolidation.

Murata Amazonia Industria E Comercio Ltda.
Murata Electronica Do Brasil Ltda.
Murata Manufacturing (UK) Limited.
Murata Electronics Switzerland AG
Five subsidiaries of Murata Power Solutions Group

3. Significant Accounting Policies

(1) Inventories

Inventories are stated at the lower of cost, which is determined principally by the average cost method, or market.

(2) Marketable securities and investments

Under ASC320, "Investments - Debt and Equity Securities" (the provisions which were previously included in SFAS No.115, "Accounting for Certain Investments in Debt and Equity Securities"), the Companies classify all debt securities and marketable equity securities as available-for-sale and carry them at fair value with a corresponding recognition of the net unrealized holding gain or loss (net of tax) as a separate component of shareholders' equity. Gains and losses on sales of investments are computed on an average cost basis. Equity securities that do not have a readily determinable fair value are recorded at average cost.

(3) Depreciation of property, plant and equipment

Depreciation of property, plant and equipment has been principally computed using the declining-balance method.

(4) Goodwill and other intangible assets

The Companies account for goodwill and other intangible assets in accordance with ASC 350, "Intangibles - Goodwill and Other" (the provisions which were previously included in SFAS No. 142, "Goodwill and Other Intangible Assets").

In accordance with this statement, goodwill is not amortized and is instead tested at least annually for impairment.

Intangible assets that have finite useful lives will continue to be amortized over their useful lives.

And also this statement requires that an intangible asset that is determined to have indefinite useful life is not amortized but is instead tested at least annually for impairment until its useful life is determined to be no longer indefinite.

(5) Termination and retirement benefits

Termination and retirement benefits, accounted for in accordance with ASC 715, "Compensation - Retirement benefits"

(the provisions which were previously included in SFAS No.87, "Employers' Accounting for Pensions" and SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans - an amendment of FASB Statements No. 87, 88, 106, and 132(R)"), are provided at the amount incurred during the period, which is based on the estimated present value of the projected benefit obligation less the fair value of plan assets at the end of the period.

The overfunded or underfunded status of a defined benefit postretirement plan is recognized as an asset or liability in its statement of financial position, with an adjustment to accumulated other comprehensive income (loss).

The unrecognized prior service benefit due to certain plan amendments is being amortized on a straight-line basis over the average remaining service period of employees.

The unrecognized actuarial gains and losses in excess of ten percent of the larger of the projected benefit obligation or plan assets are being amortized over five years.

(6) Accounting for consumption taxes

Consumption taxes are separately accounted for, and are excluded from the amounts of the underlying income and expense transactions.

(7) Reclassifications

Certain items in previous year's financial statement has been reclassified to conform to the 2010 presentation.

(8) Changes in accounting principle, method and representation

1. Effective July 1, 2009, the Companies adopted ASC 105, "Generally Accepted Accounting Principles" (the provisions which were previously included in SFAS No. 168, "The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles, a replacement of FASB Statement No. 162") in the United States of America. According to SFAS No. 168, the Companies replaced Statement of Financial Accounting Standards and others with FASB Accounting Standards Codification (ASC). Adoption of this FASB Accounting Standards Codification has no effect on the Companies' consolidated financial statements.
2. The Companies previously classified all available-for-sale debt securities as current assets without consideration of contractual maturities. On April 1, 2009, the Companies changed accounting method by which debt securities are classified as current or long-term investments based on their contractual maturities, unless the Companies intend to sell an investment within the next twelve months, in which case it is classified as current. The Companies believe this new method is a preferable accounting method as it better reflects when cash will be realized. In accordance with ASC 250, "Accounting Changes and Error Corrections" (the provisions which were previously included in SFAS No. 154, "Accounting Changes and Error Corrections, a replacement of APB Opinion No. 20 and FASB Statement No. 3"), this change is accounted for as a change in accounting principle. There is no effect on income and earning per share, and no cumulative effect on April 1, 2008 due to this change. In connection with this accounting change, certain debt securities of 197,375 million Yen and 82,203 million Yen as of March 31, 2010 and March 31, 2009, respectively, were reclassified to long-term. Also, current deferred tax assets of 452 million Yen and 718 million Yen, and current deferred tax liabilities of 879 million Yen and 175 million Yen, as of March 31, 2010 and March 31, 2009, respectively, have been reclassified to long-term before offsetting deferred tax assets and liabilities.
3. On March 31, 2010, the Companies adopted ASC 280, "Segment Reporting" (the provisions which were previously included in SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information"). ASC 280 requires companies to disclose the information about the operating segments, into which the chief operating decision maker classifies an entity to make decisions about resources to be allocated to the segment and assess its performance. Previous year's segment information has been disclosed to conform to the requirements of this statement.

(9) Notes to Consolidated Financial Statements

Segment Information

On March 31, 2010, the Companies adopted ASC 280, "Segment Reporting" (the provisions which were previously included in SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information").

1) Industry Segment Information

The Companies mainly develop, manufacture and sell electronic components and related products.

Operating segments of the Companies are classified based on the nature of products and the Companies recognized

Components segment, Modules segment and Others.

		Millions of Yen			
		2009		2010	
Components	Sales to :		%		%
	Unaffiliated customers	360,201		359,369	
	Intersegment	8,542		10,636	
	Total revenue	368,743	100.0	370,005	100.0
	Segment income	24,641	6.7	49,954	13.5
Modules	Sales to :		%		%
	Unaffiliated customers	161,571		169,444	
	Intersegment	429		666	
	Total revenue	162,000	100.0	170,110	100.0
	Segment income (loss)	(10,350)	(6.4)	6,142	3.6
Others	Sales to :		%		%
	Unaffiliated customers	2,174		2,006	
	Intersegment	25,971		9,903	
	Total revenue	28,145	100.0	11,909	100.0
	Segment income	1,476	5.2	859	7.2
Corporate and eliminations	Sales to :		%		%
	Unaffiliated customers	-		-	
	Intersegment	(34,942)		(21,205)	
	Total revenue	(34,942)	-	(21,205)	-
	Corporate expenses	(32,054)	-	(30,225)	-
Consolidated	Sales to :		%		%
	Unaffiliated customers	523,946		530,819	
	Intersegment	-		-	
	Total revenue	523,946	100.0	530,819	100.0
	Operating income (loss)	(16,287)	(3.1)	26,730	5.0

Notes : 1. Major products and businesses included in the operating segments.

(1) Components : Capacitors and Piezoelectric Components

(2) Modules : Communication Modules

(3) Others : Welfare services, personnel services, education and training services, lease and management of real estate, facility maintenance and cleaning, sales of software, and machinery manufacturing

2. Intersegment transactions are based on market prices.

3. Segment income (loss) for each operating segments represents net sales, less related costs.

Corporate expenses represent expenses of headquarters functions and fundamental researches.

4. Segment loss of 10,350 million Yen for the year ended March 31, 2009 includes impairment loss on goodwill of 9,017 million Yen.

2) Geographic Segment Information

Geographic sales are attributed to countries based on location of customer.

Long-lived assets are composed of property, plant and equipment based on physical location.

Geographic sales

	Millions of Yen	
	2009	2010
Japan	116,924	100,922
The Americas	43,918	38,758
Europe	58,013	56,981
Greater China	214,972	240,088
Asia and Others	90,119	94,070
Total	523,946	530,819

Notes : Major countries and areas included in the segments other than Japan:

- (1) The Americas : USA, Mexico
- (2) Europe : Germany, Hungary, United Kingdom, France, Sweden
- (3) Greater China : China, Taiwan
- (4) Asia : South Korea, Singapore

Long-lived assets

	Millions of Yen	
	2009	2010
Japan	294,464	252,163
The Americas	1,664	1,518
Europe	828	776
Asia	31,326	30,808
Total	328,282	285,265

Notes : Major countries and areas included in the segments other than Japan:

- (1) The Americas : USA
- (2) Europe : Germany, United Kingdom, France, Italy, the Netherlands
- (3) Asia : China, Singapore, Thailand

Marketable Securities and Investments

The cost and amortized cost, gross unrealized gains, gross unrealized losses and fair value for available-for-sale securities by major security type at March 31, 2010 and 2009 were as follows:

	Millions of yen							
	March 31, 2009				March 31, 2010			
	Cost and Amortized cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Cost and Amortized cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Governmental debt securities	6,558	79	0	6,637	4,528	61	-	4,589
Private debt securities	159,878	435	1,405	158,908	223,922	2,249	592	225,579
Equity securities	4,606	1,764	-	6,370	5,275	3,574	-	8,849
Investment trusts	600	5	-	605	600	10	-	610
Total available-for-sale securities	171,642	2,283	1,405	172,520	234,325	5,894	592	239,627

* The aggregate carrying amounts of the equity securities that do not have a readily determinable fair value at March 31, 2010 and 2009, which were valued at cost, were Yen 1,124 million and Yen 960 million, respectively.
They were not included in the above schedule.

Amounts per Share

A reconciliation of the basic and diluted earnings per share computation was as follows :

	Year ended March 31, 2009			Year ended March 31, 2010		
	Net income	Average common shares outstanding	Earnings per share	Net income	Average common shares outstanding	Earnings per share
	Millions of yen	Number of shares	Yen	Millions of yen	Number of shares	Yen
Basic	3,588	217,761,262	16.48	24,757	214,631,432	115.35
Dilutive effect of stock options	-	-		-	-	
Diluted	3,588	217,761,262	16.48	24,757	214,631,432	115.35

Shareholders' equity per share for the years ended March 31, 2010 and 2009 were Yen 3,731.34 and Yen 3,654.34, respectively.

(10) Other

Flash Report (Year ended March 31, 2010)

Selected Financial Data

Years ended March 31, 2010 and 2009 / as of March 31, 2010 and 2009

		Consolidated Basis			Parent Co. Basis		
		2009	2010	Growth ratio	2009	2010	Growth ratio
Net sales	Millions of yen	523,946	530,819	1.3	436,625	459,357	5.2
Operating income (loss)	<*>3 Millions of yen	<(3.1)>	< 5.0 >	-	<(1.8)>	< 1.8 >	-
Income (loss) before income taxes (and extraordinary items) *2	<*>3 Millions of yen	<(2.0)>	< 6.5 >	-	< 1.8 >	< 4.0 >	130.9
Net income	<*>3 Millions of yen	< 0.7 >	< 4.7 >	590.0	< 1.2 >	< 3.6 >	221.8
Total assets	Millions of yen	909,327	928,790	2.1	528,987	576,508	9.0
Shareholders' equity	Millions of yen	784,342	800,857	2.1	398,826	399,467	0.2
Shareholders' equity ratio	%	86.3	86.2	-	75.4	69.3	-
Basic earnings per share	Yen	16.48	115.35	599.9	23.27	76.00	226.6
Diluted earnings per share	Yen	16.48	115.35	599.9	-	-	-
Return on equity (ROE)	%	0.4	3.1	-	1.2	4.1	-
Shareholders' equity per share	Yen	3,654.34	3,731.34	-	1,858.18	1,861.19	-
Capital investment	Millions of yen	65,427	22,868	(65.0)	19,452	7,605	(60.9)
Depreciation and amortization	<*> Millions of yen	<15.5>*3	<13.2>*3	(13.7)	<4.7>*5	<4.5>*5	(0.1)
R & D expenses	<*> Millions of yen	<8.9>*3	<7.8>*3	(11.1)	<8.8>*5	<7.5>*5	(11.2)
Number of employees	*6	<11,412>	<11,862>	2.0	6,695	6,916	3.3
Average exchange rates							
Yen/US dollar	Yen	100.54	92.85	-			
Yen/EURO	Yen	143.49	131.16	-			

*1 The consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America.

*2 Consolidated Basis : Income (loss) before income taxes, Parent Co. Basis : Income before income taxes and extraordinary items

*3 Ratio to net sales

*4 The diluted earnings per share on Parent Co. Basis is not stated, since there were no dilutive potential securities.

*5 Ratio to net sales excluding revenue from services

*6 Figures in parentheses show the number of employees in overseas countries.

Projected Financial Data

Six months ending September 30, 2010 and six months ended September 30, 2009

		Consolidated Basis			Parent Co. Basis		
		2009 (Actual)	2010 (Projection)	Growth ratio	2009 (Actual)	2010 (Projection)	Growth ratio
Net sales	Millions of yen	255,595	300,000	17.4	219,714	247,000	12.4
	<%>*2	<2.4>	<11.0>		<0.8>	<3.4>	
Operating income	Millions of yen	6,100	33,000	441.0	1,745	8,300	375.6
	<%>*2	<3.0>	<11.7>		<2.9>	<6.0>	
Income before income taxes (and extraordinary items) *1	Millions of yen	7,751	35,000	351.6	6,300	14,800	134.9
	<%>*2	<1.9>	<7.7>		<2.8>	<4.9>	
Net income	Millions of yen	4,743	23,000	384.9	6,155	12,000	95.0
	<%>*2	<1.9>	<7.7>		<2.8>	<4.9>	
Basic earnings per share	Yen	22.10	107.16	384.9	28.68	55.91	94.9
	<%>*2	<2.4>	<11.0>		<0.8>	<3.4>	
Capital investment	Millions of yen	10,658	21,400	100.8	4,211	3,900	(7.4)
	<%>	<13.1>	<10.0>		<4.3>	<3.8>	
Depreciation and amortization	Millions of yen	33,538	30,000	(10.5)	9,114	9,100	(0.2)
	<%>	<13.1>	<10.0>		<4.3>	<3.8>	
R & D expenses	Millions of yen	20,698	20,500	(1.0)	16,561	17,700	6.9
	<%>	<8.1>	<6.8>		<7.7>	<7.4>	

Year ending March 31, 2011 and year ended March 31, 2010

		Consolidated Basis			Parent Co. Basis		
		2010 (Actual)	2011 (Projection)	Growth ratio	2010 (Actual)	2011 (Projection)	Growth ratio
Net sales	Millions of yen	530,819	590,000	11.1	459,357	482,000	4.9
	<%>*2	<5.0>	<10.5>		<1.8>	<3.2>	
Operating income	Millions of yen	26,730	62,000	131.9	8,080	15,500	91.8
	<%>*2	<6.5>	<11.2>		<4.0>	<5.8>	
Income before income taxes (and extraordinary items) *1	Millions of yen	34,658	66,000	90.4	18,598	28,000	50.6
	<%>*2	<4.7>	<7.5>		<3.6>	<4.6>	
Net income	Millions of yen	24,757	44,000	77.7	16,311	22,000	34.9
	<%>*2	<4.7>	<7.5>		<3.6>	<4.6>	
Basic earnings per share	Yen	115.35	205.00	77.7	76.00	102.50	34.9
	<%>*2	<5.0>	<10.5>		<1.8>	<3.2>	
Capital investment	Millions of yen	22,868	45,000	96.8	7,605	8,500	11.8
	<%>	<13.2>	<10.8>		<4.5>	<4.2>	
Depreciation and amortization	Millions of yen	69,896	64,000	(8.4)	20,141	19,400	(3.7)
	<%>	<13.2>	<10.8>		<4.5>	<4.2>	
R & D expenses	Millions of yen	41,649	41,500	(0.4)	33,395	34,400	3.0
	<%>	<7.8>	<7.0>		<7.5>	<7.4>	

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

*2 Ratio to net sales

*3 Ratio to net sales excluding revenue from services

*4 The projections above are based on the assumed average exchange rates of 90 Yen per US dollar and 125 Yen per Euro for the year ending March 31, 2011.

*5 The above projections were prepared based on estimates using information currently available. Actual results may differ from the projections. For assumptions and other information regarding the projections, refer to "Business Results and Financial Position".

Order, Backlog and Sales

(1) Order and Backlog by Product

<Order>

	Millions of Yen					
	Year ended March 31, 2009		Year ended March 31, 2010		Growth	
		%*1		%*1		%
Capacitors	168,586	33.8	199,825	35.4	31,239	18.5
Piezoelectric Components	73,636	14.8	87,222	15.4	13,586	18.5
Other Components	97,240	19.4	104,699	18.5	7,459	7.7
Components Total	339,462	68.0	391,746	69.3	52,284	15.4
Communication Modules	108,333	21.7	124,805	22.1	16,472	15.2
Other Modules	51,284	10.3	48,877	8.6	(2,407)	(4.7)
Modules Total	159,617	32.0	173,682	30.7	14,065	8.8
Total	499,079	100.0	565,428	100.0	66,349	13.3

*1 Component ratio

*2 Figures are based on sales prices to customers.

*3 Exclusive of consumption taxes

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

*5 The classification of products has been changed from the three months ended June 30, 2009. Short-range wireless communication modules and multilayer ceramic devices, previously included in "Microwave Devices", and circuit modules, previously included in "Module products", have been separated from these classifications and are indicated as "Communication Modules".

Connectors and isolators, previously included in "Microwave Devices" are indicated as "Other Components", together with EMI suppression filters, coils, sensors, and resistors, previously classified as "Other Products".

Along with the reclassification and change of product classification, we have newly made "Components" category and "Modules" category.

"Components" include "Capacitors", "Piezoelectric Components" and "Other Components", and "Modules" consist of

"Communication Modules" and "Other Modules".

The figures for the year ended March 31, 2009, and as of March 31, 2009 have been reclassified for comparison.

<Backlog>

	Millions of Yen					
	As of March 31, 2009		As of March 31, 2010		Growth	
		%*1		%*1		%
Capacitors	9,035	25.8	29,983	41.9	20,948	231.9
Piezoelectric Components	4,683	13.4	9,635	13.4	4,952	105.7
Other Components	6,277	17.9	12,754	17.8	6,477	103.2
Components Total	19,995	57.1	52,372	73.1	32,377	161.9
Communication Modules	12,749	36.4	14,498	20.3	1,749	13.7
Other Modules	2,257	6.5	4,746	6.6	2,489	110.3
Modules Total	15,006	42.9	19,244	26.9	4,238	28.2
Total	35,001	100.0	71,616	100.0	36,615	104.6

*1 Component ratio

*2 Figures are based on sales prices to customers.

*3 Exclusive of consumption taxes

(2) Sales by Product, Application and Area

1. Sales by Product

	Millions of Yen					
	Year ended March 31, 2009		Year ended March 31, 2010		Growth	
		%*1		%*1		%
Capacitors	180,588	34.6	178,877	33.8	(1,711)	(0.9)
Piezoelectric Components	76,294	14.6	82,270	15.6	5,976	7.8
Other Components	103,319	19.8	98,222	18.6	(5,097)	(4.9)
Components Total	360,201	69.0	359,369	68.0	(832)	(0.2)
Communication Modules	106,634	20.5	123,056	23.2	16,422	15.4
Other Modules	54,937	10.5	46,388	8.8	(8,549)	(15.6)
Modules Total	161,571	31.0	169,444	32.0	7,873	4.9
Net sales	521,772	100.0	528,813	100.0	7,041	1.3

*1 Component ratio

*2 Exclusive of consumption taxes

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

	Millions of Yen					
	Year ended March 31, 2009		Year ended March 31, 2010		Growth	
		%*1		%*1		%
AV	75,541	14.5	80,062	15.1	4,521	6.0
Communication	227,088	43.5	228,811	43.3	1,723	0.8
Computers and Peripherals	101,058	19.4	94,242	17.8	(6,816)	(6.7)
Automotive Electronics	53,987	10.3	66,514	12.6	12,527	23.2
Home and Others	64,098	12.3	59,184	11.2	(4,914)	(7.7)
Net sales	521,772	100.0	528,813	100.0	7,041	1.3

*1 Component ratio

*2 Exclusive of consumption taxes

3. Sales by Area

	Millions of Yen					
	Year ended March 31, 2009		Year ended March 31, 2010		Growth	
		%*1		%*1		%
The Americas	43,918	8.4	38,758	7.3	(5,160)	(11.7)
Europe	58,013	11.1	56,981	10.8	(1,032)	(1.8)
Greater China	214,972	41.2	240,088	45.4	25,116	11.7
Asia and Others	90,119	17.3	94,070	17.8	3,951	4.4
Overseas total	407,022	78.0	429,897	81.3	22,875	5.6
Japan	114,750	22.0	98,916	18.7	(15,834)	(13.8)
Net sales	521,772	100.0	528,813	100.0	7,041	1.3

*1 Component ratio

*2 Exclusive of consumption taxes

Quarterly Consolidated Performance

(1) Consolidated Financial Results

	Millions of yen							
	Three months ended June 30, 2008		Three months ended September 30, 2008		Three months ended December 31, 2008		Three months ended March 31, 2009	
Net sales	147,602	% *1 100.0	156,361	% *1 100.0	126,849	% *1 100.0	93,134	% *1 100.0
Operating income (loss)	14,563	9.9	12,374	7.9	(3,061)	(2.4)	(40,163)	(43.1)
Income (loss) before income taxes	15,090	10.2	13,653	8.7	2,788	2.2	(41,850)	(44.9)
Net income (loss)	9,598	6.5	9,442	6.0	(1,312)	(1.0)	(14,140)	(15.2)

	Millions of yen							
	Three months ended June 30, 2009		Three months ended September 30, 2009		Three months ended December 31, 2009		Three months ended March 31, 2010	
Net sales	117,507	% *1 100.0	138,088	% *1 100.0	139,906	% *1 100.0	135,318	% *1 100.0
Operating income (loss)	(3,775)	(3.2)	9,875	7.2	11,300	8.1	9,330	6.9
Income (loss) before income taxes	(5,064)	(4.3)	12,815	9.3	15,316	10.9	11,591	8.6
Net income (loss)	(3,667)	(3.1)	8,410	6.1	9,292	6.6	10,722	7.9

*1 Ratio to net sales

(2) Sales by Product

	Millions of yen							
	Three months ended June 30, 2008		Three months ended September 30, 2008		Three months ended December 31, 2008		Three months ended March 31, 2009	
Capacitors	53,857	% *1 36.6	56,165	% *1 36.1	42,077	% *1 33.3	28,489	% *1 30.7
Piezoelectric Components	22,662	15.4	22,209	14.2	18,017	14.3	13,406	14.5
Other Components	29,211	19.9	31,186	20.1	25,120	19.9	17,802	19.2
Components Total	105,730	71.9	109,560	70.4	85,214	67.5	59,697	64.4
Communication Modules	25,331	17.2	30,430	19.5	26,924	21.3	23,949	25.8
Other Modules	15,997	10.9	15,743	10.1	14,119	11.2	9,078	9.8
Modules Total	41,328	28.1	46,173	29.6	41,043	32.5	33,027	35.6
Net sales	147,058	100.0	155,733	100.0	126,257	100.0	92,724	100.0

	Millions of yen							
	Three months ended June 30, 2009		Three months ended September 30, 2009		Three months ended December 31, 2009		Three months ended March 31, 2010	
Capacitors	38,201	% *1 32.6	44,893	% *1 32.6	47,784	% *1 34.3	47,999	% *1 35.6
Piezoelectric Components	17,542	15.0	21,633	15.7	21,715	15.6	21,380	15.9
Other Components	21,704	18.6	24,716	18.0	25,746	18.4	26,056	19.3
Components Total	77,447	66.2	91,242	66.3	95,245	68.3	95,435	70.8
Communication Modules	29,764	25.4	34,735	25.2	31,635	22.7	26,922	20.0
Other Modules	9,857	8.4	11,619	8.5	12,491	9.0	12,421	9.2
Modules Total	39,621	33.8	46,354	33.7	44,126	31.7	39,343	29.2
Net sales	117,068	100.0	137,596	100.0	139,371	100.0	134,778	100.0

*1 Component ratio

*2 Exclusive of consumption taxes.

*3 The classification of products has been changed from the three months ended June 30, 2009. Short-range wireless communication modules and multilayer ceramic devices, previously included in "Microwave Devices", and circuit modules, previously included in "Module products", have been separated from these classifications and are indicated as "Communication Modules".

Connectors and isolators, previously included in "Microwave Devices" are indicated as "Other Components", together with EMI suppression filters, coils, sensors, and resistors, previously classified as "Other Products".

Along with the reclassification and change of product classification, we have newly made "Components" category and "Modules" category.

"Components" include "Capacitors", "Piezoelectric Components" and "Other Components", and "Modules" consist of "Communication Modules" and "Other Modules".

The figures for the year ended March 31, 2009 have been reclassified for comparison.