

Flash Report (Three months ended June 30, 2003)

Selected Financial Data on Consolidated Basis

		Three months ended Jun. 30, 2003 / As of Jun. 30, 2003	Three months ended Jun. 30, 2002 / As of Jun. 30, 2002	Growth ratio
Net sales	Millions of yen	93,503	98,951	% (5.5)
	<%>*3	<12.4>	<15.3>	
Operating income	Millions of yen	11,588	15,139	(23.5)
	<%>*3	<13.3>	<16.9>	
Income before income taxes	Millions of yen	12,480	16,793	(25.7)
	<%>*3	<8.4>	<9.9>	
Net income	Millions of yen	7,847	9,838	(20.2)
Total assets	Millions of yen	824,692	843,283	(2.2)
Shareholders' equity	Millions of yen	693,229	722,429	(4.0)
Shareholders' equity ratio	%	84.1	85.7	-
Basic earnings per share	Yen	33.44	40.28	-
Diluted earnings per share	Yen	33.44	40.28	-
Shareholders' equity per share	Yen	2,959.50	2,957.64	-
Depreciation and amortization	Millions of yen	9,851	11,858	(16.9)
	<%>*3	<10.5>	<12.0>	
R & D expenses	Millions of yen	8,115	7,791	4.2
	<%>*3	<8.7>	<7.9>	
Average exchange rates				
Yen/US\$	Yen	118.49	127.04	
Yen/EURO	Yen	134.65	116.56	

*1 The consolidated financial statements are based on U.S. GAAP.

*2 Quarterly figures are unaudited.

*3 Ratio to net sales

Selected Financial Data on Parent Co. Basis *1

		Three months ended Jun. 30, 2003 / As of Jun. 30, 2003	Three months ended Jun. 30, 2002 / As of Jun. 30, 2002	Growth ratio
Net sales	Millions of yen	75,906	77,533	% (2.1)
	<%>*2	<2.3>	<4.6>	
Operating income	Millions of yen	1,727	3,550	(51.4)
	<%>*2	<12.2>	<11.4>	
Ordinary income	Millions of yen	9,249	8,849	4.5
	<%>*2	<9.8>	<8.4>	
Net income	Millions of yen	7,408	6,527	13.5
Total assets	Millions of yen	464,142	500,308	(7.2)
Shareholders' equity	Millions of yen	400,056	444,077	(9.9)

*1 The parent co.'s financial data are shown for reference.

*2 Ratio to net sales

Projected Financial Data

Six months ending September 30, 2003

		Consolidated Basis		Parent Co. Basis *1	
		Projection announced on May 12, 2003	Revised projection	Projection announced on May 12, 2003	Revised projection
Net sales	Millions of yen	195,000	192,500	157,000	155,000
	<%>*3	<14.1>	<13.0>	<3.8>	<3.2>
Operating income	Millions of yen	27,500	25,000	6,000	5,000
Income before income taxes (and extraordinary item)*2	Millions of yen	29,500	26,500	15,000	15,000
	<%>*3	<15.1>	<13.8>	<9.6>	<9.7>
Net income	Millions of yen	19,500	17,000	12,000	12,000
	<%>*3	<10.0>	<8.8>	<7.6>	<7.7>
Basic earnings per share	Yen	82.82	72.58	50.97	51.23
Depreciation and amortization	Millions of yen	20,000	20,000	5,000	5,000
	<%>	<10.3>*3	<10.4>*3	<3.3>*4	<3.3>*4
R & D expenses	Millions of yen	16,000	16,000	14,000	14,000
	<%>	<8.2>*3	<8.3>*3	<9.2>*4	<9.3>*4

Year ending March 31, 2004

		Consolidated Basis		Parent Co. Basis *1	
		Projection announced on May 12, 2003	Revised projection	Projection announced on May 12, 2003	Revised projection
Net sales	Millions of yen	395,000	392,500	316,000	314,000
	<%>*3	<14.2>	<13.6>	<4.4>	<4.1>
Operating income	Millions of yen	56,000	53,500	14,000	13,000
Income before income taxes (and extraordinary item)*2	Millions of yen	59,500	56,500	31,500	31,500
	<%>*3	<15.1>	<14.4>	<10.0>	<10.0>
Net income	Millions of yen	39,500	37,000	25,000	25,000
	<%>*3	<10.0>	<9.4>	<7.9>	<8.0>
Basic earnings per share	Yen	167.76	157.96	106.18	106.73
Depreciation and amortization	Millions of yen	43,000	43,000	11,000	11,000
	<%>	<10.9>*3	<11.0>*3	<3.6>*4	<3.6>*4
R & D expenses	Millions of yen	32,000	32,000	28,000	28,000
	<%>	<8.1>*3	<8.2>*3	<9.1>*4	<9.2>*4

*1 The parent co.'s projections are shown for reference.

*2 Consolidated Basis : Income before income taxes, Parent Co. Basis : Income before income taxes and extraordinary item

*3 Ratio to net sales

*4 Figures show the ratio to net sales excluding revenue from services.

*5 The revised projections are based on the assumed average exchange rates of Yen 115 per US\$ and Yen 130 per Euro for July 1, 2003 through March 31, 2004.

*6 These projections are made in accordance with information currently available and include uncertain factors. Consequently, actual results may differ from the projections.

Consolidated Financial Flash Report (June 30, 2003)

Date: August 11, 2003

Company Name : Murata Manufacturing Co., Ltd.
Listing Code : 6981
(URL <http://www.murata.co.jp/>)
Phone : (075) 955-6511

Stock Exchange Listings:
Tokyo Stock Exchange
Osaka Securities Exchange
Stock Exchange of Singapore (DRS)

1. Notes

- <1>Change in accounting method: None
<2>Change in scope of consolidation and application of the equity method
One company was excluded from consolidated subsidiaries.

2. Consolidated financial results for the three months ended June 30, 2003

(1) Operating results

	Net sales		Operating income		Income before income taxes		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended Jun. 30, 2003	93,503	(5.5)	11,588	(23.5)	12,480	(25.7)	7,847	(20.2)
Three months ended Jun. 30, 2002	98,951		15,139		16,793		9,838	
Year ended Mar. 31, 2003	394,955		59,187		59,094		39,467	

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended Jun. 30, 2003	33.44	33.44
Three months ended Jun. 30, 2002	40.28	40.28
Year ended Mar. 31, 2003	163.47	163.47

*1 Equity in net income (loss) of affiliated companies: Yen 1 million for the three months ended June 30, 2003, Yen (0) million for the three months ended June 30, 2002 and Yen 2 million for the year ended March 31, 2003

*2 Average number of shares outstanding (consolidated): 234,643,703 shares for the three months ended June 30, 2003, 244,258,672 shares for the three months ended June 30, 2002 and 241,433,886 for the year ended March 31, 2003

*3 Percentages in the fields of Net sales, Operating income, Income before income taxes, and Net income are the growth ratios against the previous term.

Parent co.'s financial results for the three months ended June 30, 2003

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended Jun. 30, 2003	75,906	(2.1)	1,727	(51.4)	9,249	4.5	7,408	13.5
Three months ended Jun. 30, 2002	77,533		3,550		8,849		6,527	
Year ended Mar. 31, 2003	313,392		10,976		25,664		20,083	

*1 The parent co.'s financial results are shown for reference.

(2) Financial position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
As of Jun. 30, 2003	824,692	693,229	84.1	2,959.50
As of Jun. 30, 2002	843,283	722,429	85.7	2,957.64
As of Mar. 31, 2003	834,313	692,090	83.0	2,939.41

*1 Number of shares outstanding (consolidated): 234,238,520 shares as of June 30, 2003, 244,258,330 shares as of June 30, 2002 and 235,451,909 shares as of March 31, 2003

3. Consolidated projections for the six months ending September 30, 2003 and the year ending March 31, 2004

	Net sales	Income before income taxes	Net income	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Yen
Six months ending Sep. 30, 2003	192,500	26,500	17,000	72.58
Year ending March 31, 2004	392,500	56,500	37,000	157.96

Parent co.'s projections for the six months ending September 30, 2003 and the year ending March 31, 2004

	Net sales	Ordinary income	Net income	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Yen
Six months ending Sep. 30, 2003	155,000	15,000	12,000	51.23
Year ending March 31, 2004	314,000	31,500	25,000	106.73

*1 The parent co.'s projections are shown for reference.

These projections are made in accordance with information currently available and include uncertain factors. Consequently, actual results may differ from the projections.

Consolidated Balance Sheets

	Millions of Yen							
	As of Jun. 30, 2003		As of Mar. 31, 2003		Growth		As of Jun. 30, 2002	
		%		%		%		%
Assets	824,692	100.0	834,313	100.0	(9,621)	(1.2)	843,283	100.0
Current assets	569,991	69.1	575,768	69.0	(5,777)	(1.0)	560,821	66.5
Cash and cash equivalents	75,722		77,773		(2,051)		83,477	
Marketable securities	336,741		343,257		(6,516)		295,553	
Notes and accounts receivable	84,075		83,390		685		83,710	
Inventories	53,347		53,317		30		55,714	
Other current assets	20,106		18,031		2,075		42,367	
Fixed assets	254,701	30.9	258,545	31.0	(3,844)	(1.5)	282,462	33.5
Property, plant and equipment	229,913		234,117		(4,204)		258,788	
Investments	9,225		8,218		1,007		9,823	
Other fixed assets	15,563		16,210		(647)		13,851	
Total assets	824,692	100.0	834,313	100.0	(9,621)	(1.2)	843,283	100.0

	Millions of Yen							
	As of Jun. 30, 2003		As of Mar. 31, 2003		Growth		As of Jun. 30, 2002	
		%		%		%		%
Liabilities	131,463	15.9	142,223	17.0	(10,760)	(7.6)	120,854	14.3
Current liabilities	64,894	7.8	74,118	8.9	(9,224)	(12.4)	63,500	7.5
Short-term borrowings	3,978		3,134		844		1,755	
Trade notes and accounts payable	14,476		14,883		(407)		12,618	
Other current liabilities	46,440		56,101		(9,661)		49,127	
Long-term liabilities	66,569	8.1	68,105	8.1	(1,536)	(2.3)	57,354	6.8
Termination and retirement benefits	61,716		64,207		(2,491)		49,723	
Other long-term liabilities	4,853		3,898		955		7,631	
Shareholders' equity	693,229	84.1	692,090	83.0	1,139	0.2	722,429	85.7
Common stock	69,377		69,377		-		69,377	
Additional paid-in capital	102,222		102,222		-		102,222	
Retained earnings	589,853		587,893		1,960		564,322	
Accumulated other comprehensive income (loss)	(14,810)		(19,218)		4,408		(13,448)	
Treasury stock, at cost	(53,413)		(48,184)		(5,229)		(44)	
Total liabilities and shareholders' equity	824,692	100.0	834,313	100.0	(9,621)	(1.2)	843,283	100.0

Consolidated Statements of Income

	Millions of Yen					
	Three months ended Jun. 30, 2003		Three months ended Jun. 30, 2002		Growth	
		%		%		%
Net sales	93,503	100.0	98,951	100.0	(5,448)	(5.5)
Cost of sales	57,870	61.9	60,748	61.4	(2,878)	(4.7)
Selling, general and administrative expenses	15,930	17.0	15,273	15.4	657	4.3
Research and development expenses	8,115	8.7	7,791	7.9	324	4.2
Operating income	11,588	12.4	15,139	15.3	(3,551)	(23.5)
Interest and dividend income	541	0.6	676	0.7	(135)	(20.0)
Interest expense	(17)	(0.0)	(18)	(0.0)	1	(5.6)
Other non-operating income (expenses) - net	368	0.3	996	0.9	(628)	(63.1)
Income before income taxes	12,480	13.3	16,793	16.9	(4,313)	(25.7)
Income taxes	4,633	4.9	6,955	7.0	(2,322)	(33.4)
Net income	7,847	8.4	9,838	9.9	(1,991)	(20.2)

*1 Comprehensive income in accordance with SFAS No.130 "Reporting Comprehensive Income" is as follows.

	Millions of Yen		
	Three months ended Jun. 30, 2003	Three months ended Jun. 30, 2002	Growth
Net income	7,847	9,838	(1,991)
Other comprehensive income (loss), net of tax :	4,408	(7,530)	11,938
<Unrealized gains on securities>	<604>	<8>	<596>
<Minimum pension liability adjustments>	<2,260>	<(562)>	<2,822>
<Unrealized gains (losses) on derivative instruments>	<(52)>	<23>	<(75)>
<Foreign currency translation adjustments>	<1,596>	<(6,999)>	<8,595>
Comprehensive income	12,255	2,308	9,947

(Notes)

1. Scope of consolidation and application of the equity method

(1) Number of consolidated subsidiaries: 52

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.

(2) Number of unconsolidated subsidiaries: None

(3) Number of affiliated companies: 1 (Equity method is applied.)

Murata Trading (Malaysia) Sdn. Bhd.

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

(Consolidated subsidiaries)

One company was excluded from consolidated subsidiaries.

Murata Elektronik Handels GmbH: merged into Murata Elektronik GmbH on April 1, 2003.

Order, Backlog, and Sales (Unaudited)
Murata Manufacturing Co., Ltd. and Subsidiaries

Order, Backlog and Sales

(1) Order and Backlog by Product
<Order>

	Millions of Yen					
	Three months ended Jun. 30, 2003		Three months ended Jun. 30, 2002		Growth	
		%		%		%
Capacitors	33,350	35.2	39,139	38.5	(5,789)	(14.8)
Resistors	3,176	3.4	3,744	3.7	(568)	(15.2)
Piezoelectric Components	18,595	19.6	19,989	19.7	(1,394)	(7.0)
Microwave Devices	13,505	14.3	13,191	13.0	314	2.4
Module Products	12,868	13.6	12,790	12.6	78	0.6
Other Products	13,209	13.9	12,695	12.5	514	4.0
Total	94,703	100.0	101,548	100.0	(6,845)	(6.7)

*1 Figures are based on sales prices to customers.

*2 Exclusive of consumption taxes

*3 The tables by product indicate order, backlog, and sales of electronic components and related products.
Due to the change of sales by product, some products are reclassified.

Such reclassification includes the transfer of some products with increasing sales from "Other Products" to "Module Products". The figures for three months ended June 30, 2002 have been reclassified for comparison.

<Backlog>

	Millions of Yen					
	Three months ended Jun. 30, 2003		Three months ended Jun. 30, 2002		Growth	
		%		%		%
Capacitors	11,152	29.9	10,871	30.3	281	2.6
Resistors	1,598	4.3	1,616	4.5	(18)	(1.1)
Piezoelectric Components	6,983	18.7	6,472	18.1	511	7.9
Microwave Devices	4,464	11.9	4,543	12.7	(79)	(1.7)
Module Products	7,483	20.0	6,937	19.3	546	7.9
Other Products	5,677	15.2	5,403	15.1	274	5.1
Total	37,357	100.0	35,842	100.0	1,515	4.2

*1 Figures are based on sales prices to customers.

*2 Exclusive of consumption taxes

(2) Sales by Product, Application and Area

1. Sales by Product

	Millions of Yen					
	Three months ended Jun. 30, 2003		Three months ended Jun. 30, 2002		Growth	
		%		%		%
Capacitors	33,069	35.5	38,765	39.3	(5,696)	(14.7)
Resistors	3,194	3.4	3,629	3.7	(435)	(12.0)
Piezoelectric Components	18,084	19.4	19,355	19.6	(1,271)	(6.6)
Microwave Devices	13,584	14.6	11,029	11.2	2,555	23.2
Module Products	12,322	13.2	13,564	13.7	(1,242)	(9.2)
Other Products	12,935	13.9	12,297	12.5	638	5.2
Net sales	93,188	100.0	98,639	100.0	(5,451)	(5.5)

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

	Millions of Yen					
	Three months ended Jun. 30, 2003		Three months ended Jun. 30, 2002		Growth	
		%		%		%
Video	10,444	11.2	12,449	12.6	(2,005)	(16.1)
Audio	4,536	4.9	5,743	5.8	(1,207)	(21.0)
Consumer total	14,980	16.1	18,192	18.4	(3,212)	(17.7)
Communication	37,044	39.7	34,156	34.6	2,888	8.5
EDP and Others *1	18,914	20.3	23,456	23.8	(4,542)	(19.4)
Industrial total	55,958	60.0	57,612	58.4	(1,654)	(2.9)
Home and Others *2	22,250	23.9	22,835	23.2	(585)	(2.6)
Net sales	93,188	100.0	98,639	100.0	(5,451)	(5.5)

*1 "EDP and Others" include computers and peripherals, copy machines, and measuring instruments.

*2 "Home and Others" include automotive electronics and household electrical appliances such as air conditioners, refrigerators, and lighting apparatuses.

3. Sales by Area

	Millions of Yen					
	Three months ended Jun. 30, 2003		Three months ended Jun. 30, 2002		Growth	
		%		%		%
The Americas	9,947	10.7	14,201	14.4	(4,254)	(30.0)
Europe	14,541	15.6	13,088	13.3	1,453	11.1
Asia and Others	34,617	37.1	37,239	37.7	(2,622)	(7.0)
Overseas total	59,105	63.4	64,528	65.4	(5,423)	(8.4)
Japan	34,083	36.6	34,111	34.6	(28)	(0.1)
Net sales	93,188	100.0	98,639	100.0	(5,451)	(5.5)