



March 22, 2012

Company Name: Murata Manufacturing Co., Ltd.

Representative: Tsuneo Murata, President

(Stock code: TSE/OSE 6981)

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Establishment of Capital and Business Alliance with TOKO Inc. and Subscription to Shares and

Convertible Bonds with New Share Warrants Attached to be Issued by Third-party Allocation

At a Meeting of the Board held on March 22, the Board of Executives of Murata Manufacturing Co., Ltd. (“Murata Manufacturing” below) passed a resolution concerning the establishment of a capital and business alliance (“the alliance” below) between Murata Manufacturing and TOKO Inc. (“TOKO” below), and the companies concluded a capital and business alliance contract dated the same day.

Based on this alliance, at the March 22 Meeting of the Board, Murata Manufacturing resolved to subscribe to shares and convertible bonds with share warrants attached to be issued by TOKO by third-party allocation. Further details are provided below.

1. Purpose of capital and business alliance

Currently, competition in the electronics industry is intensifying on a global scale, and there is an increasing need to distinguish products on the market through the realization of further miniaturization, digitalization, increased efficiency, and other improvements.

The alliance between Murata Manufacturing and TOKO will see the companies fusing their respective strengths — in the case of Murata Manufacturing, global sales capacity, marketing ability, capability in the area of production technology, and possession of a broad range of related technologies; and in the case of TOKO, excellence in the field of metal alloy products, possession of coil and magnetic materials technologies, and development capability based on a semiconductor roadmap — to create a system enabling high value-added products to be brought rapidly to market, thus increasing both companies’ corporate value.

2. Details of capital and business alliance

(1) Business alliance

1. Expansion of sales of power inductors through mutual cooperation between the companies
2. Joint development and sale of next-generation power inductors
3. Joint determination of new customer needs, and collaboration in the development, manufacture, and sale of inductor-related products satisfying those needs

(2) Capital alliance

1. Allocation to third party

(1)	Due date of payment	April 9, 2012 (Mon)
(2)	Number of subscribed shares	10,582,000 common shares
(3)	Subscription price	189 yen per share
(4)	Total subscribed value	1,999,998,000yen

2. Bonds with new share warrants attached

(1)	Due date of payment	April 9, 2012 (Mon)
(2)	Total number of new share warrants	30
(3)	Subscription price of bonds and new share warrants	100 yen in cash per 100 yen of face value
(4)	Number of dilutive shares for this subscription	7,575,757 common shares
(5)	Total subscribed value	1,500,000,000 yen
(6)	Exercise price (or conversion price)	The simple average of the closing price of TOKO shares on the Tokyo Stock Exchange for a period of one month prior to March 21, 2012, multiplied by 1.05

3. Schedule

(1)	Meeting of Board	March 22, 2012 (Thurs)
(2)	Date of conclusion of contract	March 22, 2012 (Thurs)
(3)	Date of commencement of alliance	March 22, 2012 (Thurs)

4. Overview of capital and business alliance partner (As of December 31, 2011)

(1)	Name	TOKO Inc.	
(2)	Address	18, Ohaza, Gomigaya, Tsurugashima-shi, Saitama-ken, Japan	
(3)	Name and position of representative	President Shigeru Kawatsuhara	
(4)	Details of business	Manufacture and sale of applied coil products, modul products, and solid products, and sale of semiconductor products	
(5)	Capital	16,446 million yen	
(6)	Date of establishment	August 9, 1955	
(7)	Major shareholders and shareholding ratio	Saitama Resona Bank, Limited	4.22%
		The Dai-ichi Life Insurance Company, Limited	3.67%
		Mizuho Corporate Bank, Ltd.	2.82%
		The Master Trust Bank of Japan, Ltd. (Trust account)	2.50%
		CHASE MANHATTAN BANK GTS CLIENTS ACCOUNT ESCROW	2.06%
		Japan Trustee Services Bank, Ltd. (Trust account)	1.81%
		Alps Electric Co., Ltd.	1.72%
		Japan Securities Finance Co., Ltd.	1.57%
		TDK Corporation	1.51%
		Mizuho Bank, Ltd.	1.41%
(8)	Relationship with TOKO	Capital relationship	There is no capital relationship between Murata Manufacturing and TOKO to be indicated. In addition, there is no capital relationship to be noted between individuals involved with Murata Manufacturing and Murata Manufacturing's affiliates and individuals involved with TOKO and TOKO's affiliates.
		Personnel relationship	There is no personnel relationship between Murata Manufacturing and TOKO to be indicated. In addition, there is no personnel relationship to be noted between individuals involved with Murata Manufacturing and Murata Manufacturing's affiliates

		and individuals involved with TOKO and TOKO's affiliates.	
	Business relationship	Murata Manufacturing sells ceramic capacitors to TOKO.	
	Existence of related party relationship	TOKO is not a related party of Murata Manufacturing. In addition, no individuals involved with TOKO and TOKO's affiliates are related parties of Murata Manufacturing.	
(9) Consolidated operating results and consolidated financial status for most recent three-year period			
Accounting period	Period ended Mar 2010	Period ended Dec 2010	Period ended Dec 2011
Consolidated assets	40,588 million yen	39,298 million yen	31,597 million yen
Consolidated shareholders' equity per share (yen)	196.20	160.69	123.45
Consolidated sales	37,986 million yen	27,477 million yen	27,277 million yen
Consolidated operating profit	396 million yen	442 million yen	-248 million yen
Consolidated pretax net income for current period	402 million yen	-1,523 million yen	-2,525 million yen
Consolidated net income	93 million yen	-1,719 million yen	-2,629 million yen
Consolidated net income per share (yen)	0.97	-17.88	-27.34
Dividend per share (yen)	0.00	0.00	0.00

5. Use of funds

The funds that TOKO obtains from Murata Manufacturing will chiefly be used to provide for research and development expenses and investments in manufacturing facilities for power inductors necessitated by the company's alliance with Murata Manufacturing.

6. Effect on business results

It is considered that the alliance will have a minor effect on Murata Manufacturing's consolidated results in the immediate future.