

Flash Report (Three months ended June 30, 2004)

Selected Financial Data

Three months ended June 30, 2004 and 2003 / As of June 30, 2004 and 2003

		Consolidated Basis			Parent Co. Basis		
		2004	2003	Growth ratio	2004	2003	Growth ratio
Net sales	Millions of yen	109,332	93,503	16.9	92,741	75,906	22.2
				%			%
Operating income	<%>*4 Millions of yen	<17.8> 19,490	<12.4> 11,588	68.2	<7.4> 6,904	<2.3> 1,727	299.8
Income before income taxes (and extraordinary item) *3	<%>*4 Millions of yen	<18.7> 20,418	<13.3> 12,480	63.6	<16.8> 15,617	<12.2> 9,249	68.8
Net income	<%>*4 Millions of yen	<11.8> 12,859	<8.4> 7,847	63.9	<11.5> 10,678	<9.8> 7,408	44.1
Total assets	Millions of yen	843,155	824,692	2.2	470,180	464,142	1.3
Shareholders' equity	Millions of yen	706,141	693,229	1.9	401,006	400,056	0.2
Shareholders' equity ratio	%	83.7	84.1	-	85.3	86.2	-
Basic earnings per share	Yen	56.05	33.44	-	46.55	31.57	-
Diluted earnings per share	Yen	56.05	33.44	-	46.55	-	-
Shareholders' equity per share	Yen	3,081.25	2,959.50	-	1,749.80	1,707.90	-
Capital investment	Millions of yen	9,389	5,197	80.7	1,934	1,146	68.8
Depreciation and amortization	<%> Millions of yen	<8.8>*4 9,580	<10.5>*4 9,851	(2.8)	<2.9>*6 2,578	<3.6>*6 2,650	(2.7)
R & D expenses	<%> Millions of yen	<7.3>*4 7,982	<8.7>*4 8,115	(1.6)	<7.8>*6 7,058	<9.5>*6 7,025	0.5
Average exchange rates							
Yen/US\$	Yen	109.77	118.49	-			
Yen/EURO	Yen	132.27	134.65	-			

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

*2 Quarterly figures are unaudited.

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

*4 Ratio to net sales

*5 The diluted earnings per share on Parent Co. Basis is not stated for the three months ended June 30, 2004, since there were no potentially dilutive securities.

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

Consolidated Financial Flash Report (June 30, 2004)

Date: August 10, 2004

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 (DRSs)

1. Notes

- <1>Adoption of simplified accounting method : None
- <2>Change in accounting method: None
- <3>Change in scope of consolidation and application of the equity method
Two companies were excluded from consolidated subsidiaries.

2. Consolidated financial results for the three months ended June 30, 2004

(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, 2004	109,332	16.9	19,490	68.2	20,418	63.6	12,859	63.9
Three months ended Jun. 30, 2003	93,503	(5.5)	11,588	(23.5)	12,480	(25.7)	7,847	(20.2)
Year ended Mar. 31, 2004	414,247		74,210		78,685		48,540	

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended Jun. 30, 2004	56.05	56.05
Three months ended Jun. 30, 2003	33.44	33.44
Year ended Mar. 31, 2004	208.46	208.46

* Percentages in the fields of Net sales, Operating income, Income before income taxes, and Net income are the growth ratios against the same period of the previous fiscal year.

(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, 2004	843,155	706,141	83.7	3,081.25
As of Jun. 30, 2003	824,692	693,229	84.1	2,959.50
As of Mar. 31, 2004	844,115	700,937	83.0	3,052.25

(3) Cash flows

	Net cash from operating activities	Net cash from investing activities	Net cash from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	%	Yen
Three months ended Jun. 30, 2004	16,759	(12,727)	(9,431)	57,482
Three months ended Jun. 30, 2003	5,944	1,318	(10,291)	75,722
Year ended Mar. 31, 2004	80,749	(51,271)	(41,189)	61,904

3. Consolidated projections for the year ending March 31, 2005

The consolidated projections for the year ending March 31, 2005 are the same as those announced on May 11, 2004.

Consolidated Balance Sheets

	Millions of Yen							
	As of Jun. 30, 2004		As of Mar. 31, 2004		Growth		As of Jun. 30, 2003	
		%		%		%		%
Assets	843,155	100.0	844,115	100.0	(960)	(0.1)	824,692	100.0
Current assets	590,982	70.1	590,355	69.9	627	0.1	569,991	69.1
Cash and cash equivalents	57,482		61,904		(4,422)		75,722	
Marketable securities	360,398		357,098		3,300		336,741	
Notes and accounts receivable	92,051		92,931		(880)		84,075	
Inventories	58,041		54,785		3,256		53,347	
Other current assets	23,010		23,637		(627)		20,106	
Fixed assets	252,173	29.9	253,760	30.1	(1,587)	(0.6)	254,701	30.9
Property, plant and equipment	220,135		221,964		(1,829)		229,913	
Investments	13,846		13,863		(17)		9,225	
Other fixed assets	18,192		17,933		259		15,563	
Total assets	843,155	100.0	844,115	100.0	(960)	(0.1)	824,692	100.0

	Millions of Yen							
	As of Jun. 30, 2004		As of Mar. 31, 2004		Growth		As of Jun. 30, 2003	
		%		%		%		%
Liabilities	137,014	16.3	143,178	17.0	(6,164)	(4.3)	131,463	15.9
Current liabilities	78,664	9.4	85,451	10.1	(6,787)	(7.9)	64,894	7.8
Short-term borrowings	4,529		5,144		(615)		3,978	
Trade notes and accounts payable	18,295		19,643		(1,348)		14,476	
Accrued payroll and bonuses	18,604		17,739		865		17,193	
Income taxes payable	9,569		15,657		(6,088)		6,764	
Other current liabilities	27,667		27,268		399		22,483	
Long-term liabilities	58,350	6.9	57,727	6.9	623	1.1	66,569	8.1
Termination and retirement benefits	44,662		43,401		1,261		61,046	
Other long-term liabilities	13,688		14,326		(638)		5,523	
Shareholders' equity	706,141	83.7	700,937	83.0	5,204	0.7	693,229	84.1
Common stock	69,377		69,377		-		69,377	
Additional paid-in capital	102,222		102,222		-		102,222	
Retained earnings	578,596		571,478		7,118		589,853	
Accumulated other comprehensive income (loss)	(13,829)		(15,057)		1,228		(14,810)	
Treasury stock, at cost	(30,225)		(27,083)		(3,142)		(53,413)	
Total liabilities and shareholders' equity	843,155	100.0	844,115	100.0	(960)	(0.1)	824,692	100.0

Consolidated Statements of Income

Three months ended June 30, 2004 and 2003

	Millions of Yen					
	2004		2003		Growth	
		%		%		%
Net sales	109,332	100.0	93,503	100.0	15,829	16.9
Cost of sales	64,221	58.8	57,870	61.9	6,351	11.0
Selling, general and administrative expenses	17,639	16.1	15,930	17.0	1,709	10.7
Research and development expenses	7,982	7.3	8,115	8.7	(133)	(1.6)
Operating income	19,430	17.8	11,588	12.4	7,902	68.2
Interest and dividend income	412	0.4	541	0.6	(129)	(23.8)
Interest expense	(48)	(0.0)	(17)	(0.0)	(31)	-
Other income (expenses) - net	564	0.5	368	0.3	196	53.3
Income before income taxes	20,418	18.7	12,480	13.3	7,938	63.6
Income taxes	7,559	6.9	4,633	4.9	2,926	63.2
Net income	12,859	11.8	7,847	8.4	5,012	63.9

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

	Millions of Yen		
	2004	2003	Growth
Net income	12,859	7,847	5,012
Other comprehensive income (loss), net of tax :	1,228	4,408	(3,180)
<Unrealized gains (losses) on securities>	<(124)>	<604>	<(728)>
<Minimum pension liability adjustments>	<(23)>	<2,260>	<(2,283)>
<Unrealized losses on derivative instruments>	<(55)>	<(52)>	<(3)>
<Foreign currency translation adjustments>	<1,430>	<1,596>	<(166)>
Comprehensive income	14,087	12,255	1,832

Consolidated Statements of Cash Flows

Three months ended June 30, 2004 and 2003

	Millions of Yen	
	2004	2003
Operating activities:		
Net income		12,859
Adjustments to reconcile net income to net cash provided by operating activities:		7,847
Depreciation and amortization	9,580	9,851
Losses on sales and disposals of property, plant and equipment	147	267
Gains on sales of investments	(466)	-
Losses on impairment of investment securities	39	14
Provision for termination and retirement benefits, less payments	1,226	1,287
Decrease (increase) in trade notes and accounts receivable	1,321	(210)
Decrease (increase) in inventories	(3,063)	139
Decrease (increase) in other current assets	1,548	(324)
Decrease in trade notes and accounts payable	(1,360)	(433)
Decrease in other current liabilities	(4,929)	(9,712)
Other - net	(143)	(2,782)
Net cash provided by operating activities		16,759
Investing activities:		5,944
Capital expenditures	(9,389)	(5,197)
Payment for purchases of investments and other	(309)	(10)
Net decrease (increase) in marketable securities	(3,637)	6,518
Other	608	7
Net cash used in investing activities		(12,727)
Financing activities:		1,318
Net increase (decrease) in short-term borrowings	(548)	828
Dividends paid	(5,741)	(5,886)
Payment for purchases of treasury stock	(3,142)	(5,229)
Other	(0)	(4)
Net cash used in financing activities		(9,431)
Effect of exchange rate changes on cash and cash equivalents	977	978
Net decrease in cash and cash equivalents	(4,422)	(2,051)
Cash and cash equivalents at beginning of year	61,904	77,773
Cash and cash equivalents at end of year	57,482	75,722

	Millions of Yen	
	2004	2003
Cash and cash equivalents at end of period	57,482	75,722
Marketable securities	360,398	336,741
Liquidity in hand	417,880	412,463

(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 Land & Building 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)

Two companys were excluded from consolidated subsidiaries.

Sakai Electronics Industries, Ltd., Murata Finance Co.,Ltd.: merged into Murata Land & Building Co.,Ltd.
on April 1, 2004.

Segment Information

(1) Industry Segment Information

The Companies mainly develop, manufacture and sell electronic components. Sales, Operating income, and Assets for this segment represent almost 100% of the corresponding amounts in the Consolidated Financial Statements and, therefore, disclosure of "Industry Segment Information" is not applicable to the Companies.

(2) Geographic Segment Information

1) Three months ended June 30, 2004

	Millions of yen						
	Japan	The Americas	Europe	Asia	Total	Corporate and eliminations	Consolidated
1. Sales and operating income							
Sales to :							
Unaffiliated customers	52,896	9,426	12,882	34,128	109,332	-	109,332
Intersegment	36,125	22	2	4,268	40,417	(40,417)	-
Total revenue	89,021	9,448	12,884	38,396	149,749	(40,417)	109,332
Operating expenses	72,538	9,759	12,070	36,164	130,531	(40,689)	89,842
<%> *2	18.5%	(3.3)%	6.3%	5.8%	12.8%		17.8%
Operating income	16,483	(311)	814	2,232	19,218	272	19,490
2. Assets	337,598	17,025	22,702	66,536	443,861	399,294	843,155

*1 Assets in the column of "Corporate and eliminations" consist mainly of deposits and available-for-sale securities in the amount of Yen 409,476 million held by the Company.

*2 Ratio to total revenue

2) Three months ended June 30, 2003

	Millions of yen						
	Japan	The Americas	Europe	Asia	Total	Corporate and eliminations	Consolidated
1. Sales and operating income							
Sales to :							
Unaffiliated customers	47,686	8,940	10,837	26,040	93,503	-	93,503
Intersegment	25,258	42	0	4,292	29,592	(29,592)	-
Total revenue	72,944	8,982	10,837	30,332	123,095	(29,592)	93,503
Operating expenses	63,567	9,021	10,293	28,818	111,699	(29,784)	81,915
<%> *2	12.9%	(0.4)%	5.0%	5.0%	9.3%		12.4%
Operating income	9,377	(39)	544	1,514	11,396	192	11,588
2. Assets	329,718	15,728	22,398	67,881	435,725	388,967	824,692

*1 Assets in the column of "Corporate and eliminations" consist mainly of time deposits and available-for-sale securities in the amount of Yen 398,362 million held by the Company.

*2 Ratio to total revenue

Segment Information (Unaudited)
Murata Manufacturing Co., Ltd. and Subsidiaries

(3) Overseas sales

1) Three months ended June 30, 2004

	Millions of yen			
	The Americas	Europe	Asia and Others	Total
1. Overseas sales	10,351	17,371	46,666	74,388
2. Consolidated sales				109,332
3. Ratio of overseas sales to consolidated sales	9.4%	15.9%	42.7%	67.9%

2) Three months ended June 30, 2004

	Millions of yen			
	The Americas	Europe	Asia and Others	Total
1. Overseas sales	9,947	14,541	34,617	59,105
2. Consolidated sales				93,503
3. Ratio of overseas sales to consolidated sales	10.6%	15.6%	37.0%	63.2%

Order, Backlog and Sales

(1) Order and Backlog by Product

<Order>

	Millions of Yen					
	Three months ended Jun. 30, 2004		Three months ended Jun. 30, 2003		Growth	
		%		%		%
Capacitors	39,487	36.3	33,350	35.2	6,137	18.4
Piezoelectric Components	18,228	16.8	18,595	19.6	(367)	(2.0)
Microwave Devices	16,262	15.0	13,505	14.3	2,757	20.4
Module Products	14,003	12.9	12,868	13.6	1,135	8.8
Other Products	20,607	19.0	16,385	17.3	4,222	25.8
Total	108,587	100.0	94,703	100.0	13,884	14.7

*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.

"Resistors" are included in "Other Products" from the three months ended June 30, 2004, due to the decrease in the significance of its figures. The figures for the three months ended June 30, 2003 have been reclassified for comparison.

<Backlog>

	Millions of Yen					
	As of Jun. 30, 2004		As of Jun. 30, 2003		Growth	
		%		%		%
Capacitors	16,787	34.8	16,750	34.5	37	0.2
Piezoelectric Components	7,449	15.5	7,728	15.9	(279)	(3.6)
Microwave Devices	6,191	12.8	6,825	14.0	(634)	(9.3)
Module Products	7,831	16.2	7,673	15.8	158	2.1
Other Products	9,955	20.7	9,630	19.8	325	3.4
Total	48,213	100.0	48,606	100.0	(393)	(0.8)

*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, 2004		Three months ended Jun. 30, 2003		Growth	
		%		%		%
Capacitors	39,450	36.2	33,069	35.5	6,381	19.3
Piezoelectric Components	18,507	17.0	18,084	19.4	423	2.3
Microwave Devices	16,896	15.5	13,584	14.6	3,312	24.4
Module Products	13,845	12.7	12,322	13.2	1,523	12.4
Other Products	20,282	18.6	16,129	17.3	4,153	25.7
Net sales	108,980	100.0	93,188	100.0	15,792	16.9

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

	Millions of Yen					
	Three months ended Jun. 30, 2004		Three months ended Jun. 30, 2003		Growth	
		%		%		%
AV	13,886	12.7	12,998	13.9	888	6.8
Communication	44,319	40.7	37,044	39.8	7,275	19.6
Computers and Peripherals	20,767	19.1	18,914	20.3	1,853	9.8
Automotive Electronics	13,022	11.9	9,900	10.6	3,122	31.5
Home and Others	16,986	15.6	14,332	15.4	2,654	18.5
Net sales	108,980	100.0	93,188	100.0	15,792	16.9

* Due to the change of sales by application, the classification of application has been changed, starting from the three months ended June 30, 2004.

Sales of products for automotive electronics, previously included in "Audio" and "Home and Others", have been separated from these applications and indicated as "Automotive Electronics".

Sales of products for consumer electronics market, which are the total of sales for audio equipment and video equipment, are indicated as "AV".

The figures for the three months ended June 30, 2003 have been reclassified for comparison.

3. Sales by Area

	Millions of Yen					
	Three months ended Jun. 30, 2004		Three months ended Jun. 30, 2003		Growth	
		%		%		%
The Americas	10,351	9.5	9,947	10.7	404	4.1
Europe	17,371	16.0	14,541	15.6	2,830	19.5
Asia and Others	46,666	42.8	34,617	37.1	12,049	34.8
Overseas total	74,388	68.3	59,105	63.4	15,283	25.9
Japan	34,592	31.7	34,083	36.6	509	1.5
Net sales	108,980	100.0	93,188	100.0	15,792	16.9

(Reference)

Modification of previously announced figures due to the review of the classification of products and application

Due to the change of sales mix, "Resistors" are included in "Other Products" in the tables by products.

The classification of application has been changed also. Sales of products for automotive electronics, previously included in "Audio" and "Home and Others", have been separated from these applications and indicated as "Automotive Electronics". Sales of products for consumer electronics market, which are the total of sales for audio equipment and video equipment, are indicated as "AV".

The figures of "Production, Order, Backlog and Sales" in the "Flash Report (Six months ended September 30, 2003)" and "Flash Report (Year ended March 31, 2004)" and the figures of "Order, Backlog and Sales" in the "Flash Report (Three months ended June 30, 2003)" and "Flash Report (Nine months ended December 31, 2003)" after the review of the classification are as follows.

(1) Order and Backlog by Product

<Order>

	Millions of Yen							
	Three months ended Jun. 30, 2003		Six months ended Sep. 30, 2003		Nine months ended Dec. 31, 2003		Year ended Mar. 31, 2004	
Capacitors	33,350	35.2	71,229	35.0	110,897	34.8	150,070	35.3
Piezoelectric Components	18,595	19.6	38,833	19.1	58,244	18.3	76,182	17.9
Microwave Devices	13,505	14.3	31,179	15.3	49,544	15.6	65,192	15.3
Module Products	12,868	13.6	27,854	13.7	45,957	14.4	60,895	14.3
Other Products	16,385	17.3	34,627	16.9	53,742	16.9	73,277	17.2
Net sales	94,703	100.0	203,722	100.0	318,384	100.0	425,616	100.0

<Backlog>

	Millions of Yen							
	As of Jun. 30, 2003		As of Sep. 30, 2003		As of Dec. 31, 2003		As of Mar. 31, 2004	
Capacitors	11,152	29.9	12,781	30.8	16,080	32.6	16,750	34.5
Piezoelectric Components	6,983	18.7	7,674	18.5	7,903	16.1	7,728	15.9
Microwave Devices	4,464	11.9	6,482	15.6	7,126	14.5	6,825	14.0
Module Products	7,483	20.0	7,037	16.9	8,984	18.2	7,673	15.8
Other Products	7,275	19.5	7,535	18.2	9,165	18.6	9,630	19.8
Net sales	37,357	100.0	41,509	100.0	49,258	100.0	48,606	100.0

(2) Sales by Product and Application

1. Sales by Product

	Millions of Yen							
	Three months ended Jun. 30, 2003		Six months ended Sep. 30, 2003		Nine months ended Dec. 31, 2003		Year ended Mar. 31, 2004	
Capacitors	33,069	35.5	69,319	35.0	105,688	34.7	144,191	34.9
Piezoelectric Components	18,084	19.4	37,631	19.0	56,813	18.6	74,926	18.2
Microwave Devices	13,584	14.6	29,240	14.8	46,961	15.4	62,910	15.2
Module Products	12,322	13.2	27,754	14.0	43,910	14.4	60,159	14.6
Other Products	16,129	17.3	34,111	17.2	51,596	16.9	70,666	17.1
Net sales	93,188	100.0	198,055	100.0	304,968	100.0	412,852	100.0

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

	Millions of Yen							
	Three months ended Jun. 30, 2003		Six months ended Sep. 30, 2003		Nine months ended Dec. 31, 2003		Year ended Mar. 31, 2004	
AV	12,998	13.9	27,683	14.0	42,369	13.9	55,827	13.5
Communication	37,044	39.8	80,863	40.8	127,208	41.7	170,293	41.3
Computers and Peripherals	18,914	20.3	39,268	19.8	59,622	19.6	81,201	19.7
Automotive Electronics	9,900	10.6	20,813	10.5	31,549	10.3	44,275	10.7
Home and Others	14,332	15.4	29,428	14.9	44,220	14.5	61,256	14.8
Net sales	93,188	100.0	198,055	100.0	304,968	100.0	412,852	100.0