

Consolidated Financial Flash Report (June 30, 2008)

Date: July 29, 2008

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

Stock Exchange Listings:
Tokyo Stock Exchange
Osaka Securities Exchange
Stock Exchange of Singapore

1. Consolidated financial results for the three months ended June 30, 2008

(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, 2008 | 147,602 | (0.6) | 14,563 | (50.6) | 15,090 | (49.5) | 9,598 | (46.1) |
| Three months ended Jun. 30, 2007 | 148,549 | 11.4 | 29,471 | 16.7 | 29,907 | 9.2 | 17,803 | 12.7 |

| | Basic earnings per share | Diluted earnings per share |
|----------------------------------|--------------------------|----------------------------|
| | Yen | Yen |
| Three months ended Jun. 30, 2008 | 43.74 | 43.74 |
| Three months ended Jun. 30, 2007 | 80.19 | 80.18 |

* 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, 2008 | 1,022,813 | 845,667 | 82.7 | 3,854.10 |
| As of Mar. 31, 2008 | 1,030,349 | 844,230 | 81.9 | 3,847.54 |

2. Dividends (Year ended March 31, 2008 and the year ending March 31, 2009)

| | Cash dividends per share | | | | |
|------------------|--------------------------|----------------|---------------|----------|--------|
| | First Quarter | Second Quarter | Third Quarter | Year-end | Annual |
| | Yen | Yen | Yen | Yen | Yen |
| 2008 | - | 50.0 | - | 50.0 | 100.0 |
| 2009 | - | - | - | - | - |
| 2009 (Projected) | - | 50.0 | - | 50.0 | 100.0 |

*No change in the projected dividends during the three months ended June 30, 2008.

3. Projected financial results for the six months ending September 30, 2008 and the year ending March 31, 2009 (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, 2008 | 310,000 | 1.7 | 31,000 | (47.3) | 32,500 | (46.5) | 20,500 | (46.0) | 93.43 |
| Year ending Mar. 31, 2009 | 640,000 | 1.3 | 70,000 | (39.5) | 75,000 | (38.4) | 46,500 | (39.9) | 211.92 |

*Projected financial results have been revised during the three months ended June 30, 2008.

Percentages in the fields of Net sales, Operating income, Income before income taxes and Net income for the six months ending September 30, 2008 are the growth ratio against the six months ended September 30, 2007.

Percentages for the year ending March 31, 2009 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) Adoption of accounting method simplified and specifically applied for quarterly consolidated financial reporting
The Company adopted accounting method specifically applied for quarterly consolidated financial reporting
*See "Business Results and Financial Position - (4) Other" for more detailed information.

(3) Changes in accounting method
The Company changed accounting principle, method and representation due to adoption of new accounting standard.
Changes due to reasons other than above: None
*See "Business Results and Financial Position - (4) Other" for more detailed information.

(4) Number of common shares outstanding

Number of shares outstanding including treasury stock: 225,263,592 shares as of June 30, 2008 and 225,263,592 shares as of March 31, 2008

Number of treasury stock: 5,843,500 shares as of June 30, 2008 and 5,842,969 shares as of March 31, 2008

Average number of shares outstanding: 219,420,339 shares for the three months ended June 30, 2008 and 221,997,710 shares for the three months ended June 30, 2007

(Reference) Projected financial results for the six months ending September 30, 2008 and the year ending March 31, 2009 (Parent Co. basis)

| | Net sales | | Operating income | | Income before income taxes and extraordinary item | | Net income | | Basic earnings per share |
|---------------------------------|-----------------|-------|------------------|--------|---|--------|-----------------|--------|--------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Six months ending Sep. 30, 2008 | 260,000 | (0.3) | 9,000 | (47.9) | 19,500 | (32.7) | 15,000 | (32.8) | 68.36 |
| Year ending Mar. 31, 2009 | 535,000 | 0.8 | 22,000 | (35.4) | 42,000 | (25.6) | 33,000 | (24.0) | 150.40 |

*Projected financial results have been revised during the three months ended June 30, 2008.

*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, 2008 through June 30, 2008)

(1) Business Results

During the three-month period under review, the global electronic market showed recovery from the inventory adjustments after the beginning of the new calendar year. However, the rise of demand in the spring season was not as strong as usual, and the growth of the production of major products such as mobile phones, personal computers, and digital AV equipment was weaker than the growth of the previous year.

Demand for electronic components in terms of monetary amounts grew at a sluggish pace, as the growth of the electronic market was led by the emerging economies, and demand for sophisticated products in advanced countries was stagnant. Moreover, continuous price decline was seen due to fierce competition.

Under this market environment, net sales for the three-month period declined 0.6% year on year to 147,602 million Yen. Operating income dropped 50.6% year on year to 14,563 million Yen, income before income taxes decreased 49.5% to 15,090 million Yen, and net income declined 46.1% to 9,598 million yen. Initiatives to reduce the cost of goods sold through cost cutting activities, and the ongoing introduction of new products were overshadowed by the continuous price decline, increase of depreciation expenses, and the appreciation of the Yen against the U.S. dollar by 16.23 Yen.

<Sales by Product Category>

Net sales by product category for the three-month period under review compared with the figures for the same period of 2007 are as follows:

[Capacitors]

This capacitor category includes monolithic ceramic capacitors, ceramic disc capacitors, and trimmer capacitors.

In the period under review, sales of chip monolithic ceramic capacitors, the main product in this category, decreased largely. Application-specific capacitors for computers and peripheral equipment also dropped heavily.

As a result, overall net sales decreased 10.4% from a year earlier, to 53,857 million Yen.

[Piezoelectric Components]

The piezoelectric components category includes SAW (Surface Acoustic Wave) filters, ceramic resonators, piezoelectric sensors, ceramic filters and piezoelectric buzzers.

In the period under review, sales of SAW filters for use in communication equipment increased. In piezoelectric sensors, sales of sensors for shock-detection use in HDDs and ultrasonic sensors for car electronics increased. Sales of ceramic resonators declined, owing to the decrease in sales for AV equipment and car electronics. Ceramic filters for use in communication equipment and car electronics dropped largely in sales.

As a result, overall net sales increased 1.8% year on year to 22,662 million Yen.

[Microwave Devices]

These devices include short-range wireless communication modules, multilayer ceramic devices, connectors and isolators.

In the period under review, sales of multilayer ceramic devices and isolators for communication equipment increased sharply. On the other hand, sales of short-range wireless communication modules were lower than the figures for the previous three-month period. Although the sales of modules for wireless LAN increased significantly, there was a drop in the sales of modules for Bluetooth®.

As a result, overall net sales increased 3.0% year on year, to 25,817 million Yen.

[Module Products]

This product category includes power supplies and circuit modules.

In the period under review, in the circuit module product line, sales of terrestrial digital tuners for mobile phones increased sharply, while sales of modules for communication equipment dropped. Sales of power supplies grew well above the figures for the previous quarter owing to the contribution of the newly consolidated Murata Power Solutions, Inc. of the United States and 17 other companies. The consolidation is due to the acquisition of the Power Electronics Division of C&D Technologies, Inc. of the United States on August 31, 2007.

As a result, overall sales posted a year-on-year growth of 19.7%, to 19,553 million Yen.

[Other Products]

Other products include EMI suppression filters, coils, sensors, and resistors.

In the period under review, sales of chip coils grew sharply, due to strong demand for communication equipment. In contrast, while sales for communication equipment increased, the total sales of EMI suppression filters dropped, owing to the decrease in sales for AV equipment.

As a result, overall net sales posted a 3.6% year on year increase to 25,169 million Yen.

Note: Bluetooth® is a registered trademark of Bluetooth SIG, Inc. of the United States.

(2) Financial position

Total assets as of June 30, 2008 decreased 7,536 million Yen from March 31, 2008 to 1,022,813 million Yen. Although inventories increased 11,379 million Yen and investments and other assets climbed 5,357 million Yen, liquidity in hand (cash, time deposits, and marketable securities) declined 24,677 million Yen from the end of the previous fiscal year to 329,882 million Yen.

As the shareholders' equity increased 1,437 million Yen compared to the end of last year, and total assets decreased, the ratio of shareholders' equity to total assets rose 0.8 percentage points from March 31, 2008 to 82.7%.

[Net cash provided by operating activities]

Funds provided by operating activities increased 2,131 million Yen from the three months ended June 30, 2007 to 8,013 million Yen.

In the period under review, net income, the major source of cash flow, decreased 8,205 million Yen to 9,598 million Yen, while depreciation and amortization grew, by 5,190 million Yen to 18,617 million Yen. Cash outflow related to inventories increased 3,731 million Yen, and trade notes and accounts payables increased 4,277 million Yen. Cash outflow from trade

notes and accounts receivables decreased 6,609 million Yen, and cash outflow from payment of income taxes and accrued expenses and others decreased 8,430 million Yen.

[Net cash used in investing activities]

Net cash used in investing activities, which represented a loss of 7,713 million Yen a year earlier, turned into a gain of 8,318 million Yen for the three-month period under review.

In the period under review, capital expenditures dropped 2,074 million Yen to 19,123 million Yen. Investment funds related to marketable securities decreased 17,240 million Yen.

[Net cash used in financing activities]

Funds spent on financing activities declined 1,333 million Yen from the three months ended June 30, 2007 to 10,759 million Yen.

In the period under review, cash outflow related to short-term borrowings decreased 1,341 million Yen.

(3) Projected results

The projected results for the year ending March 31, 2009 and for the six months ending September 30, 2008, as announced in April, 2008, have been revised as per the tables below:

[Consolidated Projections for the Six months ending September 30, 2008]

| | Revised Projections (millions of Yen) | Growth ratio against the same period of the previous year (%) | Previous Projections Announced in April, 2008 (millions of Yen) |
|----------------------------|--|---|--|
| Net sales | 310,000 | 1.7 | 320,000 |
| Operating income | 31,000 | (47.3) | 37,000 |
| Income before Income taxes | 32,500 | (46.5) | 39,500 |
| Net income | 20,500 | (46.0) | 25,000 |

[Consolidated Projections for the Year ending March 31, 2009]

| | Revised Projections (millions of Yen) | Growth ratio against the previous year (%) | Previous Projections Announced in April, 2008 (millions of Yen) |
|----------------------------|--|---|--|
| Net sales | 640,000 | 1.3 | 660,000 |
| Operating income | 70,000 | (39.5) | 80,000 |
| Income before Income taxes | 75,000 | (38.4) | 85,000 |
| Net income | 46,500 | (39.9) | 53,000 |

Although the growth of the production of major products in the global electronics market will be slower than that of the previous year, solid increase is expected from the second quarter of the current fiscal year. However, demand for electronic components in terms of monetary amounts is expected to be lower than our original expectations, as demand for sophisticated products in advanced countries is stagnant, and price decline is expected to continue.

Based on this outlook, the consolidated forecast for the year ending March 31, 2009, which was published on April, 2008, is downwardly-revised as follows; net sales are expected to be 20,000 million Yen lower than the previous forecast, operating income is expected to be 10,000 million Yen lower, income before income taxes is expected to be 10,000 million Yen lower, and net income is expected to be 6,500 million Yen lower.

As a result, for the year ending March 31, 2009, we project the consolidated net sales to increase 1.3% year on year to 640,000 million Yen, operating income to drop 39.5% to 70,000 million Yen, income before income taxes to decrease 38.4% to 75,000 million Yen, and net income to decline 39.9% to 46,500 million yen.

The projections are based on the assumed exchange rates of Yen 105 per US\$ and Yen 165 per Euro for the nine months ending March 31, 2009.

The projection for the capital expenditure has not been changed from the April projection of 75,000 million Yen.

[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 due 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.

(4) Other

(1) Changes in significant subsidiaries

(changes in specific subsidiaries that caused change in scope of consolidation)

None

(2) Adoption of accounting method simplified and specifically applied for quarterly consolidated financial reporting

Income tax expense for the three months ended June 30, 2008 was calculated using reasonably estimated annual effective tax rate for this fiscal year including this quarter.

(3) Changes in accounting method

In September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 157, "Fair Value Measurements." SFAS No. 157 clarifies the definitions of fair value, which were different among the many accounting pronouncements that require or permit fair value measurement, and also expands disclosures about the use of fair value to measure assets and liabilities. The Companies have adopted this statement as of April 1, 2008. Adoption of this accounting standard has no effect on the Companies' consolidated financial statements.

Consolidated Balance Sheets (Unaudited)
Murata Manufacturing Co., Ltd. and Subsidiaries

(1) Consolidated Balance Sheets

As of June 30, 2008 and March 31, 2008

| | Millions of Yen | | | |
|--|---------------------|-------|---------------------|-------|
| | As of Jun. 30, 2008 | | As of Mar. 31, 2008 | |
| | | % | | % |
| Assets | 1,022,813 | 100.0 | 1,030,349 | 100.0 |
| Current assets | 614,326 | 60.1 | 627,555 | 60.9 |
| Cash | 41,821 | | 36,783 | |
| Time deposits | 78,978 | | 76,599 | |
| Marketable securities | 209,083 | | 241,177 | |
| Trade notes receivable | 6,344 | | 7,059 | |
| Trade accounts receivable | 120,208 | | 121,537 | |
| Allowance for doubtful notes and accounts | (1,199) | | (1,125) | |
| Inventories | 126,026 | | 114,647 | |
| Deferred income taxes | 23,005 | | 21,169 | |
| Prepaid expenses and other | 10,060 | | 9,709 | |
| Property, plant and equipment | 346,485 | 33.9 | 346,149 | 33.6 |
| Land | 41,346 | | 41,284 | |
| Buildings | 261,717 | | 258,588 | |
| Machinery and equipment | 554,139 | | 536,292 | |
| Construction in progress | 26,113 | | 33,511 | |
| Accumulated depreciation | (536,830) | | (523,526) | |
| Investments and other assets | 62,002 | 6.0 | 56,645 | 5.5 |
| Investments | 14,296 | | 11,493 | |
| Deferred income taxes | 7,832 | | 7,713 | |
| Long - term receivables, advances and other | 39,874 | | 37,439 | |
| Total assets | 1,022,813 | 100.0 | 1,030,349 | 100.0 |

Consolidated Balance Sheets (Unaudited)

Murata Manufacturing Co., Ltd. and Subsidiaries

As of June 30, 2008 and March 31, 2008

| | Millions of Yen | | | |
|---|---------------------|-------|---------------------|-------|
| | As of Jun. 30, 2008 | | As of Mar. 31, 2008 | |
| | | % | | % |
| Liabilities | 177,146 | 17.3 | 186,119 | 18.1 |
| Current liabilities | 113,942 | 11.1 | 124,910 | 12.1 |
| Short-term borrowings | 16,675 | | 17,999 | |
| Trade notes payable | 5,490 | | 6,426 | |
| Trade accounts payable | 32,827 | | 37,315 | |
| Accrued payroll and bonuses | 23,445 | | 22,527 | |
| Income taxes payable | 6,737 | | 12,612 | |
| Accrued expenses and other | 28,768 | | 28,031 | |
| Long-term liabilities | 63,204 | 6.2 | 61,209 | 6.0 |
| Long-term debt | 19 | | 19 | |
| Termination and retirement benefits | 45,137 | | 44,820 | |
| Deferred income taxes | 16,828 | | 15,748 | |
| Other | 1,220 | | 622 | |
| Shareholders' equity | 845,667 | 82.7 | 844,230 | 81.9 |
| Common stock | 69,377 | | 69,377 | |
| Capital surplus | 102,403 | | 102,403 | |
| Retained earnings | 709,080 | | 710,453 | |
| Accumulated other comprehensive loss : | (2,090) | | (4,902) | |
| Unrealized gains on securities | 2,988 | | 2,954 | |
| Pension liability adjustments | 1,153 | | 645 | |
| Unrealized gains (losses) on derivative instruments | (45) | | 16 | |
| Foreign currency translation adjustments | (6,186) | | (8,517) | |
| Treasury stock, at cost | (33,103) | | (33,101) | |
| Total liabilities and shareholders' equity | 1,022,813 | 100.0 | 1,030,349 | 100.0 |

Consolidated Statement of Income (Unaudited)
Murata Manufacturing Co., Ltd. and Subsidiaries

(2) Consolidated Statement of Income

Three months ended June 30, 2008

| | Millions of Yen | |
|-------------------------------------|----------------------------------|-------|
| | Three months ended June 30, 2008 | |
| | | % |
| Net sales | 147,602 | 100.0 |
| Cost of sales | 97,985 | 66.4 |
| Selling, general and administrative | 23,316 | 15.8 |
| Research and development | 11,738 | 7.9 |
| Operating income | 14,563 | 9.9 |
| Interest and dividend income | 1,137 | 0.8 |
| Interest expense | (168) | (0.1) |
| Foreign currency exchange loss | (1,417) | (1.0) |
| Other - net | 975 | 0.6 |
| Income before income taxes | 15,090 | 10.2 |
| Income taxes | 5,492 | 3.7 |
| <Current income tax> | < 7,230 > | |
| <Deferred income tax> | <(1,738)> | |
| Net income | 9,598 | 6.5 |

(3) Consolidated Statement of Comprehensive Income

Three months ended June 30, 2008

| | Millions of Yen | |
|---|----------------------------------|--|
| | Three months ended June 30, 2008 | |
| Net income | 9,598 | |
| Other comprehensive income (loss), net of tax : | | |
| Unrealized gains on securities | 34 | |
| Pension liability adjustments | 508 | |
| Unrealized losses on derivative instruments | (61) | |
| Foreign currency translation adjustments | 2,331 | |
| Other comprehensive income | 2,812 | |
| Comprehensive income | 12,410 | |

Consolidated Statement of Cash Flows (Unaudited)
Murata Manufacturing Co., Ltd. and Subsidiaries

(4) Consolidated Statement of Cash Flows

Three months ended June 30, 2008

| | Millions of Yen | |
|---|----------------------------------|----------|
| | Three months ended June 30, 2008 | |
| Operating activities: | | |
| Net income | | 9,598 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 18,617 | |
| Gains on sales and disposals of property, plant and equipment | (128) | |
| Provision for termination and retirement benefits, less payments | 324 | |
| Deferred income taxes | (1,738) | |
| Changes in assets and liabilities: | | |
| Decrease in trade notes and accounts receivable | 2,880 | |
| Increase in inventories | (11,232) | |
| Increase in prepaid expenses and other | (499) | |
| Decrease in trade notes and accounts payable | (5,477) | |
| Increase in accrued payroll and bonuses | 889 | |
| Decrease in income taxes payable | (5,963) | |
| Increase in accrued expenses and other | 326 | |
| Other-net | 416 | (1,585) |
| Net cash provided by operating activities | | 8,013 |
| Investing activities: | | |
| Capital expenditures | | (19,123) |
| Payment for purchases of investments and other | | (4,076) |
| Net decrease in marketable securities | | 31,413 |
| Other | | 104 |
| Net cash used in investing activities | | 8,318 |
| Financing activities: | | |
| Net increase in short-term borrowings | | 215 |
| Dividends paid | | (10,971) |
| Other | | (3) |
| Net cash used in financing activities | | (10,759) |
| Effect of exchange rate changes on cash and cash equivalents | | 1,872 |
| Net increase in cash and cash equivalents | | 7,444 |
| Cash and cash equivalents at beginning of period | | 110,136 |
| Cash and cash equivalents at end of period | | 117,580 |
| Additional cash and cash equivalents information: | | |
| Cash | | 41,821 |
| Time deposits | | 78,978 |
| Time deposits with the original maturities over three months | | (3,219) |
| Cash and cash equivalents at end of period | | 117,580 |

| | Millions of Yen | |
|--|---------------------|---------|
| | As of Jun. 30, 2008 | |
| Cash and cash equivalents at end of period | | 117,580 |
| Time deposits with the original maturities over three months | | 3,219 |
| Marketable securities | | 209,083 |
| Liquidity in hand | | 329,882 |

(5) Assumptions for Going Concern

None

(6) Segment Information

1) Industry Segment Information

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

2) Geographic Segment Information

Three months ended June 30, 2008

| | Millions of yen | | | | | | |
|------------------------------|-----------------|--------------|--------|--------|---------|----------------------------|--------------|
| | Japan | The Americas | Europe | Asia | Total | Corporate and eliminations | Consolidated |
| Sales to : | | | | | | | |
| Unaffiliated customers | 55,867 | 13,924 | 15,564 | 62,247 | 147,602 | - | 147,602 |
| Intersegment | 64,485 | 215 | 178 | 5,920 | 70,798 | (70,798) | - |
| Total revenue | 120,352 | 14,139 | 15,742 | 68,167 | 218,400 | (70,798) | 147,602 |
| Operating costs and expenses | 107,996 | 14,401 | 14,738 | 66,702 | 203,837 | (70,798) | 133,039 |
| <%> *1 | <10.3%> | <(1.9%)> | <6.4%> | <2.1%> | <6.7%> | | <9.9%> |
| Operating income (loss) | 12,356 | (262) | 1,004 | 1,465 | 14,563 | - | 14,563 |

*1 Ratio to total revenue

Notes : 1. Segments are based on geographic proximity.

2. 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

3) Overseas sales

Three months ended June 30, 2008

| | Millions of yen | | | |
|--|-----------------|--------|-----------------|---------|
| | The Americas | Europe | Asia and Others | Total |
| 1. Overseas sales | 13,638 | 17,339 | 79,837 | 110,814 |
| 2. Consolidated sales | | | | 147,602 |
| 3. Ratio of overseas sales to consolidated sales | 9.2% | 11.8% | 54.1% | 75.1% |

Notes : 1. Segments are based on geographic proximity.

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

(1) The Americas : USA, Mexico

(2) Europe : Germany, Hungary, United Kingdom, Italy, France

(3) Asia : China, South Korea, Singapore

(7) Significant changes in shareholders' equity

None

Consolidated Statement of Income (Unaudited)
Murata Manufacturing Co., Ltd. and Subsidiaries

(Reference) Consolidated Financial Statements
for the three months ended June 30, 2007 / as of June 30, 2007

(1) Consolidated Statement of Income

Three months ended June 30, 2007

| | Millions of Yen | |
|--|----------------------------------|---------|
| | Three months ended June 30, 2007 | |
| Net sales | 148,549 | 100.0 % |
| Cost of sales | 88,466 | 59.6 |
| Selling, general and administrative expenses | 21,193 | 14.3 |
| Research and development expenses | 9,419 | 6.3 |
| Operating income | 29,471 | 19.8 |
| Interest and dividend income | 1,285 | 0.9 |
| Interest expense | (131) | (0.1) |
| Other income - net | (718) | (0.5) |
| Income before income taxes | 29,907 | 20.1 |
| Income taxes | 12,104 | 8.1 |
| Net income | 17,803 | 12.0 |

(2) Consolidated Statement of Comprehensive Income

Three months ended June 30, 2007

| | Millions of Yen | |
|---|----------------------------------|--|
| | Three months ended June 30, 2007 | |
| Net income | 17,803 | |
| Other comprehensive income (loss), net of tax : | | |
| Unrealized losses on securities | (99) | |
| Pension liability adjustments | 944 | |
| Unrealized losses on derivative instruments | (106) | |
| Foreign currency translation adjustments | 4,430 | |
| Other comprehensive income | 5,169 | |
| Comprehensive income | 22,972 | |

(3) Consolidated Statement of Cash Flows

Three months ended June 30, 2007

| | Millions of Yen | |
|---|----------------------------------|----------|
| | Three months ended June 30, 2007 | |
| Operating activities: | | |
| Net income | | 17,803 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 13,427 | |
| Losses on sales and disposals of property, plant and equipment | 136 | |
| Provision for termination and retirement benefits, less payments | (149) | |
| Increase in trade notes and accounts receivable | (3,729) | |
| Increase in inventories | (7,501) | |
| Increase in other current assets | (405) | |
| Decrease in trade notes and accounts payable | (1,200) | |
| Decrease in other current liabilities | (14,067) | |
| Other - net | 1,567 | (11,921) |
| Net cash provided by operating activities | | 5,882 |
| Investing activities: | | |
| Capital expenditures | | (21,197) |
| Payment for purchases of investments and other | | (1,218) |
| Net decrease in marketable securities | | 14,173 |
| Other | | 529 |
| Net cash used in investing activities | | (7,713) |
| Financing activities: | | |
| Net decrease in short-term borrowings | | (1,126) |
| Dividends paid | | (11,099) |
| Payment for purchases of treasury stock | | (6) |
| Other | | 139 |
| Net cash used in financing activities | | (12,092) |
| Effect of exchange rate changes on cash and cash equivalents | | 1,965 |
| Net decrease in cash and cash equivalents | | (11,958) |
| Cash and cash equivalents at beginning of period | | 106,155 |
| Cash and cash equivalents at end of period | | 94,197 |
| Additional cash and cash equivalents information: | | |
| Cash and time deposits | | 95,665 |
| Time deposits with the original maturities over three months | | (1,468) |
| Cash and cash equivalents at end of period | | 94,197 |

| | Millions of Yen | |
|--|---------------------|---------|
| | As of Jun. 30, 2007 | |
| Cash and cash equivalents at end of period | | 94,197 |
| Time deposits with the original maturities over three months | | 1,468 |
| Marketable securities | | 305,306 |
| Liquidity in hand | | 400,971 |

(4) Segment Information

1) Industry Segment Information

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

2) Geographic Segment Information

Three months ended June 30, 2007

| | Millions of yen | | | | | | |
|------------------------------|-----------------|--------------|--------|--------|---------|----------------------------|--------------|
| | Japan | The Americas | Europe | Asia | Total | Corporate and eliminations | Consolidated |
| Sales to : | | | | | | | |
| Unaffiliated customers | 59,179 | 11,918 | 13,897 | 63,555 | 148,549 | - | 148,549 |
| Intersegment | 59,041 | 5 | 0 | 6,875 | 65,921 | (65,921) | - |
| Total revenue | 118,220 | 11,923 | 13,897 | 70,430 | 214,470 | (65,921) | 148,549 |
| Operating costs and expenses | 95,624 | 11,675 | 13,143 | 65,837 | 186,279 | (67,201) | 119,078 |
| <%> *1 | <19.1%> | <2.1%> | <5.4%> | <6.5%> | <13.1%> | | <19.8%> |
| Operating income | 22,596 | 248 | 754 | 4,593 | 28,191 | 1,280 | 29,471 |

*1 Ratio to total revenue

Notes : 1. Segments are based on geographic proximity.

2. 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

3) Overseas sales

Three months ended June 30, 2007

| | Millions of yen | | | |
|--|-----------------|--------|-----------------|---------|
| | The Americas | Europe | Asia and Others | Total |
| 1. Overseas sales | 12,356 | 18,440 | 79,831 | 110,627 |
| 2. Consolidated sales | | | | 148,549 |
| 3. Ratio of overseas sales to consolidated sales | 8.3% | 12.4% | 53.8% | 74.5% |

Notes : 1. Segments are based on geographic proximity.

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

(1) The Americas : USA, Mexico

(2) Europe : Germany, Hungary, Finland, Italy, United Kingdom

(3) Asia : China, South Korea, Singapore

Flash Report (Three months ended June 30, 2008)

Selected Financial Data

Three months ended June 30, 2008 and 2007 / As of June 30, 2008 and 2007

| | | Consolidated Basis | | | Parent Co. Basis | | |
|---|--------------------------|--------------------|--------------------|--------------|------------------|------------------|--------------|
| | | 2007 | 2008 | Growth ratio | 2007 | 2008 | Growth ratio |
| Net sales | Millions of yen | 148,549 | 147,602 | % | 123,446 | 128,731 | % |
| | | | | (0.6) | | | 4.3 |
| Operating income | <%>*3 Millions of yen | <19.8> 29,471 | <9.9> 14,563 | | <6.4> 7,952 | <3.2> 4,053 | |
| | | | | (50.6) | | | (49.0) |
| Income before income taxes (and extraordinary item) *2 | <%>*3 Millions of yen | <20.1> 29,907 | <10.2> 15,090 | | <15.0> 18,462 | <10.3> 13,224 | |
| | | | | (49.5) | | | (28.4) |
| Net income | <%>*3 Millions of yen | <12.0> 17,803 | <6.5> 9,598 | | <11.5> 14,186 | <7.9> 10,222 | |
| | | | | (46.1) | | | (27.9) |
| Total assets | Millions of yen | 1,013,450 | 1,022,813 | 0.9 | 526,621 | 522,460 | (0.8) |
| Shareholders' equity | Millions of yen | 834,914 | 845,667 | 1.3 | 432,098 | 432,454 | 0.1 |
| Shareholders' equity ratio | % | 82.4 | 82.7 | - | 82.1 | 82.8 | - |
| Basic earnings per share | Yen | 80.19 | 43.74 | (45.5) | 63.90 | 46.59 | (27.1) |
| Diluted earnings per share | Yen | 80.18 | 43.74 | (45.4) | 63.89 | - | - |
| Shareholders' equity per share | Yen | 3,760.80 | 3,854.10 | - | 1,946.35 | 1,970.90 | - |
| Capital investment | Millions of yen | 21,197 | 19,123 | (9.8) | 3,203 | 5,405 | 68.7 |
| Depreciation and amortization | <%> Millions of yen | <9.0>*3 13,427 | <12.6>*3 18,617 | | <2.5>*5 2,991 | <3.5>*5 4,343 | |
| | | | | 38.7 | | | 45.2 |
| R & D expenses | <%> Millions of yen | <6.3>*3 9,419 | <7.9>*3 11,738 | | <6.5>*5 7,779 | <7.6>*5 9,482 | |
| | | | | 24.6 | | | 21.9 |
| Average exchange rates | | | | | | | |
| Yen/US\$ | Yen | 120.79 | 104.56 | - | | | |
| Yen/EURO | Yen | 162.72 | 163.43 | - | | | |

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

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

*3 Ratio to net sales

*4 The diluted earnings per share on Parent Co. Basis is not stated for 2008, since there were no potentially dilutive securities.

*5 Ratio to net sales excluding revenue from services

Projected Financial Data

Six months ending September 30, 2008

| | | Consolidated Basis | | Parent Co. Basis | |
|---|--------------------------|--|------------------------|--|------------------------|
| | | Previous Projections Announced in April, 2008 | Revised Projections | Previous Projections Announced in April, 2008 | Revised Projections |
| Net sales | Millions of yen | 320,000 | 310,000 | 260,000 | 260,000 |
| | <%>*2 | <11.6> | <10.0> | <4.8> | <3.5> |
| Operating income | Millions of yen | 37,000 | 31,000 | 12,500 | 9,000 |
| Income before income taxes (and extraordinary item) *1 | <%>*2 Millions of yen | <12.3> 39,500 | <10.5> 32,500 | <8.5> 22,000 | <7.5> 19,500 |
| Net income | <%>*2 Millions of yen | <7.8> 25,000 | <6.6> 20,500 | <6.3> 16,500 | <5.8> 15,000 |
| Basic earnings per share | Yen | 113.94 | 93.43 | 75.20 | 68.36 |
| Capital investment | Millions of yen | 52,000 | 52,000 | 11,500 | 12,000 |
| Depreciation and amortization | <%> Millions of yen | <10.9>*2 35,000 | <12.4>*2 38,500 | <3.4>*3 8,500 | <3.6>*3 9,000 |
| R & D expenses | <%> Millions of yen | <7.2>*2 23,000 | <7.4>*2 23,000 | <7.3>*3 18,500 | <7.5>*3 19,000 |

Year ending March 31, 2009

| | | Consolidated Basis | | Parent Co. Basis | |
|---|--------------------------|--|------------------------|--|------------------------|
| | | Previous Projections Announced in April, 2008 | Revised Projections | Previous Projections Announced in April, 2008 | Revised Projections |
| Net sales | Millions of yen | 660,000 | 640,000 | 540,000 | 535,000 |
| | <%>*2 | <12.1> | <10.9> | <5.2> | <4.1> |
| Operating income | Millions of yen | 80,000 | 70,000 | 28,000 | 22,000 |
| Income before income taxes (and extraordinary item) *1 | <%>*2 Millions of yen | <12.9> 85,000 | <11.7> 75,000 | <8.7> 47,000 | <7.9> 42,000 |
| Net income | <%>*2 Millions of yen | <8.0> 53,000 | <7.3> 46,500 | <6.7> 36,000 | <6.2> 33,000 |
| Basic earnings per share | Yen | 241.55 | 211.92 | 164.07 | 150.40 |
| Capital investment | Millions of yen | 75,000 | 75,000 | 20,000 | 20,000 |
| Depreciation and amortization | <%> Millions of yen | <11.4>*2 75,000 | <12.5>*2 80,000 | <3.6>*3 19,000 | <3.8>*3 20,000 |
| R & D expenses | <%> Millions of yen | <7.0>*2 46,000 | <7.3>*2 47,000 | <7.2>*3 38,000 | <7.4>*3 38,500 |

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

*2 Ratio to net sales

*3 Ratio to net sales excluding revenue from services

*4 The revised projections are based on the assumed average exchange rates of Yen 105 per US\$ and Yen 165 per Euro for the nine months ending March 31, 2009.

*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 | | | | | |
|--------------------------|----------------------------------|-------|----------------------------------|-------|---------|-------|
| | Three months ended Jun. 30, 2007 | | Three months ended Jun. 30, 2008 | | Growth | |
| | | %*1 | | %*1 | | % |
| Capacitors | 56,966 | 38.7 | 51,994 | 35.4 | (4,972) | (8.7) |
| Piezoelectric Components | 21,835 | 14.8 | 22,740 | 15.5 | 905 | 4.1 |
| Microwave Devices | 26,263 | 17.9 | 28,684 | 19.6 | 2,421 | 9.2 |
| Module Products | 17,357 | 11.8 | 18,605 | 12.7 | 1,248 | 7.2 |
| Other Products | 24,713 | 16.8 | 24,588 | 16.8 | (125) | (0.5) |
| Total | 147,134 | 100.0 | 146,611 | 100.0 | (523) | (0.4) |

*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.

<Backlog>

| | Millions of Yen | | | | | |
|--------------------------|----------------------|-------|---------------------|-------|---------|--------|
| | As of March 31, 2008 | | As of Jun. 30, 2008 | | Growth | |
| | | %*1 | | %*1 | | % |
| Capacitors | 21,037 | 36.5 | 19,174 | 33.5 | (1,863) | (8.9) |
| Piezoelectric Components | 7,341 | 12.7 | 7,419 | 12.9 | 78 | 1.1 |
| Microwave Devices | 10,523 | 18.2 | 13,390 | 23.4 | 2,867 | 27.2 |
| Module Products | 8,437 | 14.6 | 7,489 | 13.1 | (948) | (11.2) |
| Other Products | 10,356 | 18.0 | 9,775 | 17.1 | (581) | (5.6) |
| Total | 57,694 | 100.0 | 57,247 | 100.0 | (447) | (0.8) |

*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 | | | | | |
|--------------------------|----------------------------------|-------|----------------------------------|-------|---------|--------|
| | Three months ended Jun. 30, 2007 | | Three months ended Jun. 30, 2008 | | Growth | |
| | | %*1 | | %*1 | | % |
| Capacitors | 60,095 | 40.6 | 53,857 | 36.6 | (6,238) | (10.4) |
| Piezoelectric Components | 22,257 | 15.0 | 22,662 | 15.4 | 405 | 1.8 |
| Microwave Devices | 25,072 | 17.0 | 25,817 | 17.6 | 745 | 3.0 |
| Module Products | 16,336 | 11.0 | 19,553 | 13.3 | 3,217 | 19.7 |
| Other Products | 24,302 | 16.4 | 25,169 | 17.1 | 867 | 3.6 |
| Net sales | 148,062 | 100.0 | 147,058 | 100.0 | (1,004) | (0.7) |

*1 Component ratio

*2 Exclusive of consumption taxes

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

| | Millions of Yen | | | | | |
|---------------------------|----------------------------------|-------|----------------------------------|-------|---------|--------|
| | Three months ended Jun. 30, 2007 | | Three months ended Jun. 30, 2008 | | Growth | |
| | | %*1 | | %*1 | | % |
| AV | 21,676 | 14.6 | 18,814 | 12.8 | (2,862) | (13.2) |
| Communications | 59,841 | 40.4 | 61,495 | 41.8 | 1,654 | 2.8 |
| Computers and Peripherals | 29,838 | 20.2 | 30,002 | 20.4 | 164 | 0.5 |
| Automotive Electronics | 16,536 | 11.2 | 16,809 | 11.4 | 273 | 1.7 |
| Home and Others | 20,171 | 13.6 | 19,938 | 13.6 | (233) | (1.2) |
| Net sales | 148,062 | 100.0 | 147,058 | 100.0 | (1,004) | (0.7) |

*1 Component ratio

*2 Exclusive of consumption taxes

3. Sales by Area

| | Millions of Yen | | | | | |
|-----------------|----------------------------------|-------|----------------------------------|-------|---------|-------|
| | Three months ended Jun. 30, 2007 | | Three months ended Jun. 30, 2008 | | Growth | |
| | | %*1 | | %*1 | | % |
| The Americas | 12,356 | 8.3 | 13,638 | 9.3 | 1,282 | 10.4 |
| Europe | 18,440 | 12.5 | 17,339 | 11.8 | (1,101) | (6.0) |
| Asia and Others | 79,831 | 53.9 | 79,837 | 54.3 | 6 | 0.0 |
| Overseas total | 110,627 | 74.7 | 110,814 | 75.4 | 187 | 0.2 |
| Japan | 37,435 | 25.3 | 36,244 | 24.6 | (1,191) | (3.2) |
| Net sales | 148,062 | 100.0 | 147,058 | 100.0 | (1,004) | (0.7) |

*1 Component ratio

*2 Exclusive of consumption taxes

Quarterly Consolidated Performance

(1) Consolidated Financial Results

| | Millions of yen | | | | | | | |
|----------------------------|-------------------------------------|-------|-------------------------------------|-------|-------------------------------------|-------|-------------------------------------|-------|
| | Three months ended Jun. 30, 2007 | | Three months ended Sep. 30, 2007 | | Three months ended Dec. 31, 2007 | | Three months ended Mar. 31, 2008 | |
| | | % *1 | | % *1 | | % *1 | | % *1 |
| Net sales | 148,549 | 100.0 | 156,399 | 100.0 | 174,567 | 100.0 | 152,140 | 100.0 |
| Operating income | 29,471 | 19.8 | 29,306 | 18.7 | 35,517 | 20.3 | 21,458 | 14.1 |
| Income before income taxes | 29,907 | 20.1 | 30,820 | 19.7 | 36,969 | 21.2 | 24,134 | 15.9 |
| Net income | 17,803 | 12.0 | 20,162 | 12.9 | 23,581 | 13.5 | 15,867 | 10.4 |

| | Millions of yen | |
|----------------------------|-------------------------------------|-------|
| | Three months ended Jun. 30, 2008 | |
| | | % *1 |
| Net sales | 147,602 | 100.0 |
| Operating income | 14,563 | 9.9 |
| Income before income taxes | 15,090 | 10.2 |
| Net income | 9,598 | 6.5 |

*1 Ratio to net sales

*2 The figures for each quarter are calculated by subtracting from the aggregated amount of the previous quarter.

(2) Sales by Product

| | Millions of yen | | | | | | | |
|--------------------------|-------------------------------------|-------|-------------------------------------|-------|-------------------------------------|-------|-------------------------------------|-------|
| | Three months ended Jun. 30, 2007 | | Three months ended Sep. 30, 2007 | | Three months ended Dec. 31, 2007 | | Three months ended Mar. 31, 2008 | |
| | | % *1 | | % *1 | | % *1 | | % *1 |
| Capacitors | 60,095 | 40.6 | 64,082 | 41.1 | 67,206 | 38.6 | 58,005 | 38.2 |
| Piezoelectric Components | 22,257 | 15.0 | 23,044 | 14.8 | 25,152 | 14.5 | 22,283 | 14.7 |
| Microwave Devices | 25,072 | 17.0 | 25,337 | 16.2 | 30,303 | 17.4 | 24,709 | 16.3 |
| Module Products | 16,336 | 11.0 | 16,954 | 10.9 | 24,261 | 13.9 | 21,521 | 14.2 |
| Other Products | 24,302 | 16.4 | 26,460 | 17.0 | 27,046 | 15.6 | 25,109 | 16.6 |
| Net sales | 148,062 | 100.0 | 155,877 | 100.0 | 173,968 | 100.0 | 151,627 | 100.0 |

| | Millions of yen | |
|--------------------------|-------------------------------------|-------|
| | Three months ended Jun. 30, 2008 | |
| | | % *1 |
| Capacitors | 53,857 | 36.6 |
| Piezoelectric Components | 22,662 | 15.4 |
| Microwave Devices | 25,817 | 17.6 |
| Module Products | 19,553 | 13.3 |
| Other Products | 25,169 | 17.1 |
| Net sales | 147,058 | 100.0 |

*1 Component ratio

*2 Exclusive of consumption taxes.

*3 The figures for each quarter are calculated by subtracting from the aggregated amount of the previous quarter.