

Consolidated Financial Flash Report (December 31, 2013)

Date: January 31, 2014

Company Name : Murata Manufacturing Co., Ltd.
Listing Code : 6981
(URL <http://www.murata.com/>)
Phone : (075) 955-6525
The date of payout of dividends: -

Stock Exchange Listings:
Tokyo Stock Exchange
Stock Exchange of Singapore

1. Consolidated financial results for the nine months ended December 31, 2013

(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 | % |
| Nine months ended December 31, 2013 | 648,962 | 28.0 | 104,926 | 136.2 | 105,909 | 129.9 | 74,652 | 137.7 |
| Nine months ended December 31, 2012 | 506,873 | 14.0 | 44,426 | 5.3 | 46,077 | (1.9) | 31,405 | (0.1) |

Comprehensive income: 106,915 million yen for the year ended December 31, 2013 and 42,475 million yen for the year ended December 31, 2012

| | Basic earnings per share | Diluted earnings per share |
|-------------------------------------|--------------------------|----------------------------|
| | Yen | Yen |
| Nine months ended December 31, 2013 | 353.08 | - |
| Nine months ended December 31, 2012 | 148.78 | - |

* 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.

*The Companies' "Net income" is computed by the same method as "Net income attributable to the Company's shareholders" under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 810, "Consolidation" in the United States of America.

(2) Financial position

| | Total assets | Shareholders' equity | Shareholders' equity ratio | Shareholders' equity per share |
|-------------------------|-----------------|----------------------|----------------------------|--------------------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of December 31, 2013 | 1,218,388 | 948,886 | 77.9 | 4,482.04 |
| As of March 31, 2013 | 1,087,144 | 860,963 | 79.2 | 4,078.94 |

2. Dividends (Year ended March 31, 2013 and the year ending March 31, 2014)

| | Cash dividends per share | | | | |
|------------------|--------------------------|----------------|---------------|----------|--------|
| | First Quarter | Second Quarter | Third Quarter | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| 2013 | - | 50.00 | - | 50.00 | 100.00 |
| 2014 | - | 60.00 | - | - | - |
| 2014 (Projected) | - | - | - | 70.00 | 130.00 |

*Projected dividends have been revised during the three months ended December 31, 2013.

3. Projected financial results for the year ending March 31, 2014 (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 |
| Year ending March 31, 2014 | 820,000 | 20.4 | 120,000 | 104.7 | 123,000 | 106.6 | 86,000 | 102.9 | 406.76 |

*No change in the projected financial results during the three months ended December 31, 2013.

Percentages for the year ending March 31, 2014 are the growth ratio against the previous year.

4. Other

(1) Changes in significant subsidiaries during the three months ended December 31, 2013 (changes in specific subsidiaries that caused change in scope of consolidation) : None

(2) Adoption of simplified and specifically applied accounting method

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 policy

Changes due to adoption of new accounting standard: None

Changes due to reasons other than above: None

(4) Number of common shares outstanding

Number of shares outstanding including treasury stock: 225,263,592 shares as of December 31, 2013 and as of March 31, 2013

Number of treasury stock: 13,555,155 shares as of December 31, 2013 and 14,188,529 shares as of March 31, 2013

Average number of shares outstanding: 211,428,206 shares for the nine months ended December 31, 2013 and 211,076,597 shares for the nine months ended December 31, 2012

*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, 2013 through December 31, 2013)

1. Business Results

In the global economic environment for the period under review, the business outlook was uncertain, reflecting the decline in growth rates in the emerging countries such as China and India. The U.S. employment and housing markets is improving gradually and continuously. Although the economy in Europe has started to recover, the speed of recovering was very slow and needs much more time for recovering on a full scale.

In the electronics market, while the production of AV devices and PCs were inactive, there was a sharp increase in the demand for electronic components for smartphones and tablet devices and increased production of vehicles and advanced electrification

Under these circumstances, sales of Murata Manufacturing Co., Ltd. (the "Company") were 648,962 million yen for the period under review up 28.0% from the same period of the previous year, whose average exchange rate against the U.S. dollar rose by 19.38 yen from the same period in 2012. Sales in the third quarter of this fiscal year also increased by 234,831 million yen, up 6.0% from the same period in 2012 and the highest quarterly sales on record three times in a row.

Operating income was 104,926 million yen, up 136.2%, income before income taxes was 105,909 million yen, up 129.9%, and net income was 74,652 million yen, up 137.7% from the same period in 2012. The primary factors for the profit increase were the increase in capacity utilization, comprehensive cost reductions and depreciation of the yen, while negative factors included price declines and increased fixed costs due to an expansion in production capacity. Operating income ratio was 16.2%, up 7.4 percentage points from the same period in 2012.

| | Millions of yen | | | | | |
|--|--|-------|--|-------|---------|-------|
| | Nine months ended December 31, 2012 | | Nine months ended December 31, 2013 | | Change | |
| | | %* | | %* | | %* |
| Net sales | 506,873 | 100.0 | 648,962 | 100.0 | 142,089 | 28.0 |
| Operating income | 44,426 | 8.8 | 104,926 | 16.2 | 60,500 | 136.2 |
| Income before income taxes | 46,077 | 9.1 | 105,909 | 16.3 | 59,832 | 129.9 |
| Net income | 31,405 | 6.2 | 74,652 | 11.5 | 43,247 | 137.7 |
| Average exchange rates (Yen/U.S. dollar) | 80.01 | — | 99.39 | — | 19.38 | — |
| Average exchange rates (Yen/EURO) | 102.18 | — | 132.24 | — | 30.06 | — |

*Component ratio

Sales by Product Category

Net sales by product category for the period under review are as follows.

| | | Millions of yen | | | | | |
|--|-------------------------------------|--|-------|--|-------|---------|------|
| | | Nine months ended December 31, 2012 | | Nine months ended December 31, 2013 | | Change | |
| | | | %* | | %* | | % |
| | Capacitors | 169,317 | 33.5 | 212,583 | 32.9 | 43,266 | 25.6 |
| | Piezoelectric Components | 59,358 | 11.8 | 72,024 | 11.1 | 12,666 | 21.3 |
| | Other Components | 104,177 | 20.6 | 120,856 | 18.7 | 16,679 | 16.0 |
| | Components Total | 332,852 | 65.9 | 405,463 | 62.7 | 72,611 | 21.8 |
| | Communication Modules | 137,017 | 27.1 | 199,437 | 30.8 | 62,420 | 45.6 |
| | Power Supplies and Other Modules | 35,083 | 7.0 | 42,016 | 6.5 | 6,933 | 19.8 |
| | Modules Total | 172,100 | 34.1 | 241,453 | 37.3 | 69,353 | 40.3 |
| | Net sales | 504,952 | 100.0 | 646,916 | 100.0 | 141,964 | 28.1 |

*Component ratio

<Components>

Sales of Components for the period under review increased by 21.8% year on year to 405,463 million yen.

[Capacitors]

The Capacitors category includes multilayer ceramic capacitors (MLCCs).

For the period under review, both sales amount and quantities of MLCCs, the main product in this category, largely grew thanks to the increase in the production of smart-phone and the shift towards high-end models for communication equipment, the increase in the production of automobiles and the progress in vehicle electrification.

As a result, overall net sales increased by 25.6% year on year to 212,583 million yen.

[Piezoelectric Components]

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

For the period under review, sales of SAW filters greatly increased thanks to the growing production of mobile phones and an increased number of components per device, couple with the ongoing trend toward multi-band devices, while sales of SAW filters installed in modules (reported by the Communication Modules segment) also increased. Regarding piezoelectric sensors, sales of shock sensors increased thanks to the increased number of components per hard disk drive. Sales of ceramic resonators increased for automotive electronics, home electronics and others.

As a result, overall net sales increased by 21.3% year on year to 72,024 million yen.

[Other Components]

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

For the period under review, sales of EMI suppression filters increased for car electronics and the mobile phones market. Sales of inductors (coils) and connectors greatly increased for mobile phones. Sales of sensors increased substantially as demand for MEMS (Micro Electro Mechanical Systems) sensors largely grew in the car electronics market.

As a result, overall net sales increased by 16.0% year on year to 120,856 million yen.

<Modules>

Sales of Modules for the period under review increased by 40.3% year on year to 241,453 million yen.

[Communication Modules]

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

For the period under review, sales of short-range wireless communication modules increased because sales increased for smart-phones and tablet devices. Sales of circuit modules largely increased comparing with the same period in 2012 because of advanced modularization owing to mobile phone's high-end shift. Sales of multilayer ceramic devices increased for mobile phones.

As a result, overall net sales posted a year-on-year increase by 45.6% to 199,437 million yen.

[Power Supplies and Other Modules]

This product category includes power supplies.

For the period under review, sales of power supplies grew significantly due to sales increase of automotive electronics and servers.

As a result, overall net sales posted a year-on-year increase by 19.8% to 42,016 million yen.

2. Financial Position

Liquidity in hand (cash, short-term investments, available-for-sale securities (government and private debt securities), and long-term deposits) as of December 31, 2013 increased by 51,874 million yen from the end of the previous fiscal year to 383,698 million yen. Interest-bearing debt (short-term borrowings and long-term debt) increased by 29,506 million yen from the end of the previous fiscal year to 85,111 million yen. As a result, net cash increased by 22,368 million yen from the end of the previous fiscal year to 298,587 million yen. Total assets as of December 31, 2013 increased by 131,244 million yen from the end of the previous fiscal year to 1,218,388 million yen. The ratio of shareholders' equity to total assets decreased by 1.3 percentage points from the end of the previous fiscal year to 77.9% as of December 31, 2013.

Cash flows for the period under review are as follows.

< Net Cash Provided by Operating Activities>

For the period under review, net cash provided by operating activities was 101,690 million yen. As for the details, net income was 74,652 million yen, depreciation and amortization were 56,252 million yen, and income taxes payable increased by 8,246 million yen while trade notes and accounts receivable increased by 38,171 million yen, and accrued payroll and bonuses decreased by 6,043 million yen.

Net cash provided by operating activities increased by 82,152 million yen as compared to that for the nine months ended December 31, 2012.

< Net Cash Used in Investing Activities>

For the period under review, net cash used in investing activities was 59,119 million yen. While cash inflows from maturities and sales of marketable securities, investments and other were 48,420 million yen, cash outflows from capital expenditures were 52,394 million yen and investments and others were 49,605 million yen.

Net cash used in investing activities decreased by 24,412 million yen as compared to that for the same as nine months last year.

< Net Cash Provided by Financing Activities >

For the period under review, net cash used in financing activities was 2,778 million yen. While cash inflows from an increase of short-term borrowings were 19,925 million yen, cash outflows from payment for dividends were 23,256 million yen,.

Net cash provided by financing activities Increased by 21,645 million yen as compared to that for the same as nine months last year.

3. Projected Results for the Year Ending March 31, 2014

The Company has not revised the projected results for the year ending March 31, 2014, which were announced on October 31, 2013.

4. Dividends for the Year Ended March 31, 2014

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 development. For the year ended March 31, 2013, the Company plans to pay a year-end dividend of 70 yen per share. Combined with the interim dividend previously paid, the total annual dividend is expected to be 130 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 (the "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 devices 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.

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

(1) Consolidated Balance Sheets (Assets)

As of March 31, 2013 and December 31, 2013

| | Millions of Yen | | | |
|--|----------------------|-------|-------------------------|-------|
| | As of March 31, 2013 | | As of December 31, 2013 | |
| | | % | | % |
| Assets | 1,087,144 | 100.0 | 1,218,388 | 100.0 |
| Current assets | 538,098 | 49.5 | 686,408 | 56.3 |
| Cash | 77,444 | | 102,446 | |
| Short-term investments | 46,521 | | 75,165 | |
| Marketable securities | 60,752 | | 90,411 | |
| Trade notes receivable | 833 | | 614 | |
| Trade accounts receivable | 164,047 | | 223,173 | |
| Allowance for doubtful notes and accounts | (941) | | (975) | |
| Inventories | 160,934 | | 166,891 | |
| Deferred income taxes | 19,173 | | 18,919 | |
| Prepaid expenses and other | 9,335 | | 9,764 | |
| Property, plant and equipment | 323,922 | 29.8 | 331,951 | 27.3 |
| Land | 46,887 | | 47,417 | |
| Buildings | 297,558 | | 304,363 | |
| Machinery and equipment | 679,204 | | 713,945 | |
| Construction in progress | 20,043 | | 16,079 | |
| Accumulated depreciation | (719,770) | | (749,853) | |
| Investments and other assets | 225,124 | 20.7 | 200,029 | 16.4 |
| Investments in affiliates | 2,225 | | - | |
| Investments | 157,858 | | 132,400 | |
| Goodwill | 12,765 | | 14,827 | |
| Deferred income taxes | 7,499 | | 8,302 | |
| Other | 44,777 | | 44,500 | |
| Total assets | 1,087,144 | 100.0 | 1,218,388 | 100.0 |

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

Consolidated Balance Sheets (Liabilities and Shareholders' Equity)

As of March 31, 2013 and December 31, 2013

| | Millions of Yen | | | |
|---|----------------------|--------------|-------------------------|--------------|
| | As of March 31, 2013 | | As of December 31, 2013 | |
| | | % | | % |
| Liabilities | 226,181 | 20.8 | 269,502 | 22.1 |
| Current liabilities | 153,125 | 14.1 | 192,438 | 15.8 |
| Short-term borrowings | 47,061 | | 75,220 | |
| Trade accounts payable | 38,935 | | 40,132 | |
| Accrued payroll and bonuses | 24,011 | | 18,479 | |
| Income taxes payable | 11,555 | | 20,244 | |
| Accrued expenses and other | 31,563 | | 38,363 | |
| Long-term liabilities | 73,056 | 6.7 | 77,064 | 6.3 |
| Long-term debt | 7,443 | | 8,782 | |
| Termination and retirement benefits | 63,562 | | 65,211 | |
| Deferred income taxes | 879 | | 1,445 | |
| Other | 1,172 | | 1,626 | |
| Shareholders' equity | 860,963 | 79.2 | 948,886 | 77.9 |
| Common stock | 69,377 | | 69,377 | |
| Capital surplus | 102,396 | | 103,864 | |
| Retained earnings | 764,485 | | 815,880 | |
| Accumulated other comprehensive income (loss): | (12,221) | | 20,042 | |
| Unrealized gains on securities | 5,695 | | 8,257 | |
| Pension liability adjustments | (3,982) | | (4,084) | |
| Unrealized losses on derivative instruments | (165) | | - | |
| Foreign currency translation adjustments | (13,769) | | 15,869 | |
| Treasury stock, at cost | (63,074) | | (60,277) | |
| Total liabilities and shareholders' equity | 1,087,144 | 100.0 | 1,218,388 | 100.0 |

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

Nine months ended December 31, 2012 and 2013

| | Millions of Yen | | | |
|---|--|-------|--|-------|
| | Nine months ended December 31, 2012 | | Nine months ended December 31, 2013 | |
| | | % | | % |
| Net sales | 506,873 | 100.0 | 648,962 | 100.0 |
| Cost of sales | 357,813 | 70.5 | 423,703 | 65.3 |
| Selling, general and administrative | 69,282 | 13.7 | 80,008 | 12.3 |
| Research and development | 35,352 | 7.0 | 40,325 | 6.2 |
| Operating income | 44,426 | 8.8 | 104,926 | 16.2 |
| Interest and dividend income | 2,743 | 0.5 | 3,303 | 0.5 |
| Interest expense | (228) | (0.0) | (265) | (0.0) |
| Foreign currency exchange gain (loss) | 157 | 0.0 | (2,264) | (0.4) |
| Other - net | (1,021) | (0.2) | 209 | 0.0 |
| Income before income taxes | 46,077 | 9.1 | 105,909 | 16.3 |
| Income taxes | 14,799 | 2.9 | 31,176 | 4.8 |
| <Current income tax> | <14,727> | | <32,190> | |
| <Deferred income tax> | <72> | | <(1,014)> | |
| Equity in earnings (losses) of affiliates | 127 | 0.0 | (81) | (0.0) |
| Net income | 31,405 | 6.2 | 74,652 | 11.5 |

Consolidated Statements of Comprehensive Income

Nine months ended December 31, 2012 and 2013

| | Millions of Yen | |
|---|--|--|
| | Nine months ended December 31, 2012 | Nine months ended December 31, 2013 |
| Net income | 31,405 | 74,652 |
| Other comprehensive income (loss), net of tax: | | |
| Unrealized gains on securities | 2,518 | 2,562 |
| Pension liability adjustments | 245 | (102) |
| Unrealized gains (losses) on derivative instruments | (1,033) | 165 |
| Foreign currency translation adjustments | 9,340 | 29,638 |
| Other comprehensive income | 11,070 | 32,263 |
| Comprehensive income | 42,475 | 106,915 |

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

Three months ended December 31, 2012 and 2013

| | Millions of Yen | | | |
|---------------------------------------|---|-------|---|-------|
| | Three months ended December 31, 2012 | | Three months ended December 31, 2013 | |
| | | % | | % |
| Net sales | 192,190 | 100.0 | 234,831 | 100.0 |
| Cost of sales | 135,020 | 70.3 | 155,612 | 66.2 |
| Selling, general and administrative | 24,901 | 13.0 | 27,920 | 11.9 |
| Research and development | 12,195 | 6.3 | 13,792 | 5.9 |
| Operating income | 20,074 | 10.4 | 37,507 | 16.0 |
| Interest and dividend income | 889 | 0.4 | 859 | 0.4 |
| Interest expense | (91) | (0.0) | (113) | (0.1) |
| Foreign currency exchange gain (loss) | 1,876 | 1.0 | (1,246) | (0.5) |
| Other - net | 311 | 0.2 | 553 | 0.2 |
| Income before income taxes | 23,059 | 12.0 | 37,560 | 16.0 |
| Income taxes | 6,798 | 3.5 | 10,557 | 4.5 |
| <Current income tax> | <4,456> | | <7,061> | |
| <Deferred income tax> | <2,342> | | <3,496> | |
| Equity in earnings of affiliates | 15 | 0.0 | - | - |
| Net income | 16,276 | 8.5 | 27,003 | 11.5 |

Consolidated Statements of Comprehensive Income

Three months ended December 31, 2012 and 2013

| | Millions of Yen | |
|--|---|---|
| | Three months ended December 31, 2012 | Three months ended December 31, 2013 |
| Net income | 16,276 | 27,003 |
| Other comprehensive income (loss), net of tax: | | |
| Unrealized gains on securities | 2,210 | 892 |
| Pension liability adjustments | 100 | (24) |
| Unrealized losses on derivative instruments | (1,581) | - |
| Foreign currency translation adjustments | 18,725 | 17,798 |
| Other comprehensive income | 19,454 | 18,666 |
| Comprehensive income | 35,730 | 45,669 |

(3) Consolidated Statements of Cash Flows
Nine months ended December 31, 2012 and 2013

| | Millions of Yen | | | |
|--|--|----------|--|----------|
| | Nine months ended December 31, 2012 | | Nine months ended December 31, 2013 | |
| Operating activities: | | | | |
| Net income | | 31,405 | | 74,652 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | |
| Depreciation and amortization | 52,524 | | 56,252 | |
| Losses on sales and disposals of property, plant and equipment | 626 | | 640 | |
| Provision for termination and retirement benefits, less payments | 1,580 | | 987 | |
| Deferred income taxes | 72 | | (1,014) | |
| Changes in assets and liabilities: | | | | |
| Increase in trade notes and accounts receivable | (56,378) | | (38,171) | |
| Decrease (Increase) in inventories | (17,375) | | 2,829 | |
| Decrease in prepaid expenses and other | 6,773 | | 485 | |
| Decrease in trade notes and accounts payable | (832) | | (1,371) | |
| Decrease in accrued payroll and bonuses | (6,165) | | (6,043) | |
| Increase in income taxes payable | 3,548 | | 8,246 | |
| Increase in accrued expenses and other | 2,355 | | 2,269 | |
| Other-net | 1,405 | (11,867) | 1,929 | 27,038 |
| Net cash provided by operating activities | | 19,538 | | 101,690 |
| Investing activities: | | | | |
| Capital expenditures | | (59,314) | | (49,605) |
| Payment for purchases of marketable securities, investments and other | | (24,202) | | (52,394) |
| Maturities and sales of marketable securities, investments and other | | 63,424 | | 48,720 |
| Increase in short-term investments | | (13,679) | | (12,195) |
| Acquisition of businesses, net of cash acquired | | (1,860) | | - |
| Cash balances of subsidiary acquired through share exchanges | | - | | 3,316 |
| Other | | 924 | | 3,339 |
| Net cash used in investing activities | | (34,707) | | (59,119) |
| Financing activities: | | | | |
| Net increase in short-term borrowings | | 39,342 | | 19,925 |
| Proceeds from long-term debt | | 644 | | 1,502 |
| Payments from long-term debt | | - | | (1,103) |
| Dividends paid | | (21,108) | | (23,256) |
| Other | | (11) | | 154 |
| Net cash provided by (used in) financing activities | | 18,867 | | (2,778) |
| Effect of exchange rate changes on cash and cash equivalents | | 297 | | 1,658 |
| Net increase in cash and cash equivalents | | 3,995 | | 41,451 |
| Cash and cash equivalents at beginning of period | | 65,302 | | 90,068 |
| Cash and cash equivalents at end of period | | 69,297 | | 131,519 |
| Additional cash and cash equivalents information: | | | | |
| Cash | | 60,041 | | 102,446 |
| Short-term investments | | 37,484 | | 75,165 |
| Short-term investments with the original maturities over three months | | (28,228) | | (46,092) |
| Cash and cash equivalents at end of period | | 69,297 | | 131,519 |
| Acquisition of businesses through share exchange | | - | | 6,331 |

| | Millions of Yen | |
|--|-------------------------|-------------------------|
| | As of December 31, 2012 | As of December 31, 2013 |
| Cash and cash equivalents at end of period | 69,297 | 131,519 |
| Short-term investments with the original maturities over three months | 28,228 | 46,092 |
| Available-for-sale securities (Governmental and Private debt securities) | 205,596 | 200,087 |
| Long-term deposits | 6,000 | 6,000 |
| Liquidity in hand | 309,121 | 383,698 |
| Interest bearing liabilities | (83,293) | (85,111) |
| Net cash | 225,828 | 298,587 |

(4) Assumptions for Going Concern

None

(5) Segment Information

Operating Segment Information

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

Operating segments of the Companies include Components segment, Modules segment and Others and are primarily based on the nature of the Companies' products.

Nine months ended December 31, 2012 and 2013

| | | Millions of Yen | | | |
|----------------------------------|------------------------|--|-------|--|-------|
| | | Nine months ended December 31, 2012 | | Nine months ended December 31, 2013 | |
| Components | Sales to: | | % | | % |
| | Unaffiliated customers | 332,852 | | 405,463 | |
| | Intersegment | 14,511 | | 23,696 | |
| | Total revenue | 347,363 | 100.0 | 429,159 | 100.0 |
| | Segment income | 55,673 | 16.0 | 103,154 | 24.0 |
| Modules | Sales to: | | % | | % |
| | Unaffiliated customers | 172,100 | | 241,453 | |
| | Intersegment | 193 | | 166 | |
| | Total revenue | 172,293 | 100.0 | 241,619 | 100.0 |
| | Segment income | 11,528 | 6.7 | 28,139 | 11.6 |
| Others | Sales to: | | % | | % |
| | Unaffiliated customers | 1,921 | | 2,046 | |
| | Intersegment | 23,491 | | 19,792 | |
| | Total revenue | 25,412 | 100.0 | 21,838 | 100.0 |
| | Segment income | 2,758 | 10.9 | 2,409 | 11.0 |
| Corporate and eliminations | Sales to: | | % | | % |
| | Unaffiliated customers | - | | - | |
| | Intersegment | (38,195) | | (43,654) | |
| | Total revenue | (38,195) | - | (43,654) | - |
| | Corporate expenses | (25,533) | - | (28,776) | - |
| Consolidated | Sales to: | | % | | % |
| | Unaffiliated customers | 506,873 | | 648,962 | |
| | Intersegment | - | | - | |
| | Total revenue | 506,873 | 100.0 | 648,962 | 100.0 |
| | Operating income | 44,426 | 8.8 | 104,926 | 16.2 |

Three months ended December 31, 2012 and 2013

| | | Millions of Yen | | | |
|----------------------------------|------------------------|---|-------|---|-------|
| | | Three months ended December 31, 2012 | | Three months ended December 31, 2013 | |
| Components | Sales to: | | % | | % |
| | Unaffiliated customers | 118,595 | | 140,189 | |
| | Intersegment | 5,797 | | 7,584 | |
| | Total revenue | 124,392 | 100.0 | 147,773 | 100.0 |
| | Segment income | 20,322 | 16.3 | 34,857 | 23.6 |
| Modules | Sales to: | | % | | % |
| | Unaffiliated customers | 72,892 | | 93,947 | |
| | Intersegment | 71 | | 31 | |
| | Total revenue | 72,963 | 100.0 | 93,978 | 100.0 |
| | Segment income | 8,016 | 11.0 | 12,057 | 12.8 |
| Others | Sales to: | | % | | % |
| | Unaffiliated customers | 703 | | 695 | |
| | Intersegment | 6,105 | | 5,131 | |
| | Total revenue | 6,808 | 100.0 | 5,826 | 100.0 |
| | Segment income | 944 | 13.9 | 745 | 12.8 |
| Corporate and eliminations | Sales to: | | % | | % |
| | Unaffiliated customers | - | | - | |
| | Intersegment | (11,973) | | (12,746) | |
| | Total revenue | (11,973) | - | (12,746) | - |
| | Corporate expenses | (9,208) | - | (10,152) | - |
| Consolidated | Sales to: | | % | | % |
| | Unaffiliated customers | 192,190 | | 234,831 | |
| | Intersegment | - | | - | |
| | Total revenue | 192,190 | 100.0 | 234,831 | 100.0 |
| | Operating income | 20,074 | 10.4 | 37,507 | 16.0 |

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

(1) Components: Capacitors, Piezoelectric Components

(2) Modules: Communication Modules, Power Supplies

(3) Others: Machinery manufacturing, welfare services, personnel services, education and training services, sales of software

2. Intersegment transactions are based on market prices.

3. Segment income for each operating segment represents net sales, less related costs.

Corporate expenses represent expenses of headquarters functions and fundamental researches.

(6) Significant changes in shareholders' equity

None

(7) Other

January 31, 2014
Murata Manufacturing Co., Ltd.
Listing Code : 6981
(URL <http://www.murata.com/>)

Flash Report (Nine months ended December 31, 2013)

Selected Financial Data

Nine months ended December 31, 2012 and 2013 / As of December 31, 2012 and 2013

| | | Consolidated Basis | | | Parent Co. Basis | | |
|---|-----------------|--------------------|--------------------|--------------|------------------|----------|--------------|
| | | 2012 | 2013 | Growth ratio | 2012 | 2013 | Growth ratio |
| Net sales | Millions of yen | 506,873 | 648,962 | 28.0 | 407,728 | 487,906 | 19.7 |
| Operating income | Millions of yen | 44,426 | 104,926 | 136.2 | 5,187 | 29,954 | 477.5 |
| Income before income taxes (and extraordinary items) *2 | Millions of yen | 46,077 | 105,909 | 129.9 | 24,361 | 53,738 | 120.6 |
| Net income | Millions of yen | 31,405 | 74,652 | 137.7 | 24,312 | 46,745 | 92.3 |
| Total assets | Millions of yen | 1,071,753 | 1,218,388 | 13.7 | 591,453 | 690,637 | 16.8 |
| Shareholders' equity | Millions of yen | 829,904 | 948,886 | 14.3 | 389,092 | 428,272 | 10.1 |
| Shareholders' equity ratio | % | 77.4 | 77.9 | - | 65.8 | 62.0 | - |
| Basic earnings per share | Yen | 148.78 | 353.08 | 137.3 | 115.19 | 221.09 | 91.9 |
| Shareholders' equity per share | Yen | 3,931.78 | 4,482.04 | - | 1,843.38 | 2,022.94 | - |
| Capital expenditures | Millions of yen | 59,314 | 49,605 | (16.4) | 10,002 | 7,382 | (26.2) |
| Depreciation and amortization | Millions of yen | 52,524 | 56,252 | 7.1 | 13,170 | 12,981 | (1.4) |
| R & D expenses | Millions of yen | 35,352 | 40,325 | 14.1 | 36,004 | 41,088 | 14.1 |
| Number of employees | *6 | <14,808> 37,420 | <14,758> 38,086 | 1.8 | 7,173 | 7,344 | 2.4 |
| Average exchange rates | | | | | | | |
| Yen/US dollar | Yen | 80.01 | 99.39 | - | | | |
| Yen/EURO | Yen | 102.18 | 132.24 | - | | | |

Three months ended December 31, 2012 and 2013

| | | Consolidated Basis | | | Parent Co. Basis | | |
|---|-----------------|--------------------|---------|--------------|------------------|---------|--------------|
| | | 2012 | 2013 | Growth ratio | 2012 | 2013 | Growth ratio |
| Net sales | Millions of yen | 192,190 | 234,831 | 22.2 | 149,883 | 163,370 | 9.0 |
| Operating income | Millions of yen | 20,074 | 37,507 | 86.8 | 4,668 | 8,164 | 74.9 |
| Income before income taxes (and extraordinary items) *2 | Millions of yen | 23,059 | 37,560 | 62.9 | 14,976 | 20,788 | 38.8 |
| Net income | Millions of yen | 16,276 | 27,003 | 65.9 | 14,749 | 19,033 | 29.0 |
| Basic earnings per share | Yen | 77.11 | 127.55 | 65.4 | 69.88 | 89.90 | 28.6 |
| Capital expenditures | Millions of yen | 13,263 | 10,844 | (18.2) | 2,813 | 2,581 | (8.2) |
| Depreciation and amortization | Millions of yen | 19,395 | 19,914 | 2.7 | 4,749 | 4,774 | 0.5 |
| R & D expenses | Millions of yen | 12,195 | 13,792 | 13.1 | 12,518 | 14,367 | 14.8 |

*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 items

*3 Ratio to net sales

*4 Diluted earnings per share is not stated since there were no potential securities.

*5 Ratio to net sales excluding revenue from services

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

Order, Backlog and Sales

(1) Order and Backlog by Product

<Order>

Nine months ended December 31, 2012 and 2013

| | Millions of Yen | | | | | |
|----------------------------------|--|-------|--|-------|---------|------|
| | Nine months ended December 31, 2012 | | Nine months ended December 31, 2013 | | Change | |
| | | %*1 | | %*1 | | % |
| Capacitors | 168,666 | 33.4 | 214,452 | 32.5 | 45,786 | 27.1 |
| Piezoelectric Components | 58,220 | 11.5 | 72,781 | 11.0 | 14,561 | 25.0 |
| Other Components | 102,540 | 20.3 | 122,434 | 18.5 | 19,894 | 19.4 |
| Components Total | 329,426 | 65.2 | 409,667 | 62.0 | 80,241 | 24.4 |
| Communication Modules | 141,432 | 28.0 | 209,597 | 31.7 | 68,165 | 48.2 |
| Power Supplies and Other Modules | 34,643 | 6.8 | 41,927 | 6.3 | 7,284 | 21.0 |
| Modules Total | 176,075 | 34.8 | 251,524 | 38.0 | 75,449 | 42.9 |
| Total | 505,501 | 100.0 | 661,191 | 100.0 | 155,690 | 30.8 |

Three months ended December 31, 2012 and 2013

| | Millions of Yen | | | | | |
|----------------------------------|---|-------|---|-------|--------|------|
| | Three months ended December 31, 2012 | | Three months ended December 31, 2013 | | Change | |
| | | %*1 | | %*1 | | % |
| Capacitors | 59,180 | 34.3 | 72,843 | 30.6 | 13,663 | 23.1 |
| Piezoelectric Components | 19,037 | 11.0 | 23,817 | 10.0 | 4,780 | 25.1 |
| Other Components | 35,261 | 20.5 | 41,338 | 17.4 | 6,077 | 17.2 |
| Components Total | 113,478 | 65.8 | 137,998 | 58.0 | 24,520 | 21.6 |
| Communication Modules | 47,665 | 27.6 | 85,636 | 35.9 | 37,971 | 79.7 |
| Power Supplies and Other Modules | 11,337 | 6.6 | 14,382 | 6.0 | 3,045 | 26.9 |
| Modules Total | 59,002 | 34.2 | 100,018 | 42.0 | 41,016 | 69.5 |
| Total | 172,480 | 100.0 | 238,016 | 100.0 | 65,536 | 38.0 |

*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, 2013 | | As of December 31, 2013 | | Change | |
| | | %*1 | | %*1 | | % |
| Capacitors | 21,195 | 29.8 | 23,064 | 27.0 | 1,869 | 8.8 |
| Piezoelectric Components | 7,956 | 11.2 | 8,713 | 10.2 | 757 | 9.5 |
| Other Components | 11,440 | 16.1 | 13,018 | 15.3 | 1,578 | 13.8 |
| Components Total | 40,591 | 57.1 | 44,795 | 52.5 | 4,204 | 10.4 |
| Communication Modules | 24,059 | 33.8 | 34,219 | 40.1 | 10,160 | 42.2 |
| Power Supplies and Other Modules | 6,449 | 9.1 | 6,360 | 7.4 | (89) | (1.4) |
| Modules Total | 30,508 | 42.9 | 40,579 | 47.5 | 10,071 | 33.0 |
| Total | 71,099 | 100.0 | 85,374 | 100.0 | 14,275 | 20.1 |

*1 Component ratio

*2 Figures are based on sales prices to customers.

*3 Exclusive of consumption taxes

(2) Sales by Product Category, Application and Area

1. Sales by Product Category

Nine months ended December 31, 2012 and 2013

| | Millions of Yen | | | | | |
|----------------------------------|--|-------|--|-------|---------|------|
| | Nine months ended December 31, 2012 | | Nine months ended December 31, 2013 | | Change | |
| | | %*1 | | %*1 | | % |
| Capacitors | 169,317 | 33.5 | 212,583 | 32.9 | 43,266 | 25.6 |
| Piezoelectric Components | 59,358 | 11.8 | 72,024 | 11.1 | 12,666 | 21.3 |
| Other Components | 104,177 | 20.6 | 120,856 | 18.7 | 16,679 | 16.0 |
| Components Total | 332,852 | 65.9 | 405,463 | 62.7 | 72,611 | 21.8 |
| Communication Modules | 137,017 | 27.1 | 199,437 | 30.8 | 62,420 | 45.6 |
| Power Supplies and Other Modules | 35,083 | 7.0 | 42,016 | 6.5 | 6,933 | 19.8 |
| Modules Total | 172,100 | 34.1 | 241,453 | 37.3 | 69,353 | 40.3 |
| Net sales | 504,952 | 100.0 | 646,916 | 100.0 | 141,964 | 28.1 |

Three months ended December 31, 2012 and 2013

| | Millions of Yen | | | | | |
|----------------------------------|---|-------|---|-------|--------|------|
| | Three months ended December 31, 2012 | | Three months ended December 31, 2013 | | Change | |
| | | %*1 | | %*1 | | % |
| Capacitors | 60,432 | 31.6 | 74,159 | 31.7 | 13,727 | 22.7 |
| Piezoelectric Components | 20,536 | 10.7 | 23,481 | 10.0 | 2,945 | 14.3 |
| Other Components | 37,627 | 19.6 | 42,549 | 18.2 | 4,922 | 13.1 |
| Components Total | 118,595 | 61.9 | 140,189 | 59.9 | 21,594 | 18.2 |
| Communication Modules | 61,476 | 32.1 | 79,723 | 34.0 | 18,247 | 29.7 |
| Power Supplies and Other Modules | 11,416 | 6.0 | 14,224 | 6.1 | 2,808 | 24.6 |
| Modules Total | 72,892 | 38.1 | 93,947 | 40.1 | 21,055 | 28.9 |
| Net sales | 191,487 | 100.0 | 234,136 | 100.0 | 42,649 | 22.3 |

*1 Component ratio

*2 Exclusive of consumption taxes

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

Nine months ended December 31, 2012 and 2013

| | Millions of Yen | | | | | |
|---------------------------|--|-------|--|-------|---------|-------|
| | Nine months ended December 31, 2012 | | Nine months ended December 31, 2013 | | Change | |
| | | %*1 | | %*1 | | % |
| AV | 37,885 | 7.5 | 35,663 | 5.5 | (2,222) | (5.9) |
| Communications | 246,459 | 48.8 | 332,740 | 51.4 | 86,281 | 35.0 |
| Computers and Peripherals | 97,751 | 19.4 | 115,446 | 17.9 | 17,695 | 18.1 |
| Automotive Electronics | 74,959 | 14.8 | 88,460 | 13.7 | 13,501 | 18.0 |
| Home and Others | 47,898 | 9.5 | 74,607 | 11.5 | 26,709 | 55.8 |
| Net sales | 504,952 | 100.0 | 646,916 | 100.0 | 141,964 | 28.1 |

Three months ended December 31, 2012 and 2013

| | Millions of Yen | | | | | |
|---------------------------|---|-------|---|-------|---------|--------|
| | Three months ended December 31, 2012 | | Three months ended December 31, 2013 | | Change | |
| | | %*1 | | %*1 | | % |
| AV | 14,056 | 7.3 | 12,129 | 5.2 | (1,927) | (13.7) |
| Communications | 104,227 | 54.4 | 122,470 | 52.3 | 18,243 | 17.5 |
| Computers and Peripherals | 33,276 | 17.4 | 43,817 | 18.7 | 10,541 | 31.7 |
| Automotive Electronics | 24,089 | 12.6 | 30,684 | 13.1 | 6,595 | 27.4 |
| Home and Others | 15,839 | 8.3 | 25,036 | 10.7 | 9,197 | 58.1 |
| Net sales | 191,487 | 100.0 | 234,136 | 100.0 | 42,649 | 22.3 |

*1 Component ratio

*2 Exclusive of consumption taxes

3. Sales by Area

Nine months ended December 31, 2012 and 2013

| | Millions of Yen | | | | | |
|-----------------|--|-------|--|-------|---------|------|
| | Nine months ended December 31, 2012 | | Nine months ended December 31, 2013 | | Change | |
| | | %*1 | | %*1 | | % |
| The Americas | 29,918 | 5.9 | 43,754 | 6.8 | 13,836 | 46.2 |
| Europe | 47,629 | 9.4 | 50,066 | 7.7 | 2,437 | 5.1 |
| Greater China | 280,942 | 55.7 | 359,585 | 55.6 | 78,643 | 28.0 |
| Asia and Others | 88,511 | 17.5 | 134,556 | 20.8 | 46,045 | 52.0 |
| Overseas total | 447,000 | 88.5 | 587,961 | 90.9 | 140,961 | 31.5 |
| Japan | 57,952 | 11.5 | 58,955 | 9.1 | 1,003 | 1.7 |
| Net sales | 504,952 | 100.0 | 646,916 | 100.0 | 141,964 | 28.1 |

Three months ended December 31, 2012 and 2013

| | Millions of Yen | | | | | |
|-----------------|---|-------|---|-------|--------|------|
| | Three months ended December 31, 2012 | | Three months ended December 31, 2013 | | Change | |
| | | %*1 | | %*1 | | % |
| The Americas | 10,430 | 5.4 | 13,161 | 5.6 | 2,731 | 26.2 |
| Europe | 15,030 | 7.9 | 16,215 | 6.9 | 1,185 | 7.9 |
| Greater China | 116,669 | 60.9 | 142,593 | 60.9 | 25,924 | 22.2 |
| Asia and Others | 30,834 | 16.1 | 39,684 | 17.0 | 8,850 | 28.7 |
| Overseas total | 172,963 | 90.3 | 211,653 | 90.4 | 38,690 | 22.4 |
| Japan | 18,524 | 9.7 | 22,483 | 9.6 | 3,959 | 21.4 |
| Net sales | 191,487 | 100.0 | 234,136 | 100.0 | 42,649 | 22.3 |

*1 Component ratio

*2 Exclusive of consumption taxes

Quarterly Consolidated Performance

(1) Consolidated Financial Results

| | Millions of yen | | | | | | | |
|----------------------------|-------------------------------------|-------|--|-------|---|-------|--------------------------------------|-------|
| | Three months ended June 30, 2012 | | Three months ended September 30, 2012 | | Three months ended December 31, 2012 | | Three months ended March 31, 2013 | |
| | | % *1 | | % *1 | | % *1 | | % *1 |
| Net sales | 142,580 | 100.0 | 172,103 | 100.0 | 192,190 | 100.0 | 174,148 | 100.0 |
| Operating income | 6,108 | 4.3 | 18,244 | 10.6 | 20,074 | 10.4 | 14,210 | 8.2 |
| Income before income taxes | 5,479 | 3.8 | 17,539 | 10.2 | 23,059 | 12.0 | 13,457 | 7.7 |
| Net income | 3,558 | 2.5 | 11,571 | 6.7 | 16,276 | 8.5 | 10,981 | 6.3 |

| | Millions of yen | | | | | |
|----------------------------|-------------------------------------|-------|--|-------|---|-------|
| | Three months ended June 30, 2013 | | Three months ended September 30, 2013 | | Three months ended December 31, 2013 | |
| | | % *1 | | % *1 | | % *1 |
| Net sales | 192,581 | 100.0 | 221,550 | 100.0 | 234,831 | 100.0 |
| Operating income | 24,941 | 13.0 | 42,478 | 19.2 | 37,507 | 16.0 |
| Income before income taxes | 24,699 | 12.8 | 43,650 | 19.7 | 37,560 | 16.0 |
| Net income | 17,481 | 9.1 | 30,168 | 13.6 | 27,003 | 11.5 |

*1 Ratio to net sales

(2) Sales by Product Category

| | Millions of yen | | | | | | | |
|----------------------------------|-------------------------------------|-------|--|-------|---|-------|--------------------------------------|-------|
| | Three months ended June 30, 2012 | | Three months ended September 30, 2012 | | Three months ended December 31, 2012 | | Three months ended March 31, 2013 | |
| | | % *1 | | % *1 | | % *1 | | % *1 |
| Capacitors | 52,442 | 36.9 | 56,443 | 32.9 | 60,432 | 31.6 | 59,402 | 34.2 |
| Piezoelectric Components | 19,088 | 13.5 | 19,734 | 11.5 | 20,536 | 10.7 | 21,273 | 12.3 |
| Other Components | 30,274 | 21.3 | 36,276 | 21.2 | 37,627 | 19.6 | 34,680 | 20.0 |
| Components Total | 101,804 | 71.7 | 112,453 | 65.6 | 118,595 | 61.9 | 115,355 | 66.5 |
| Communication Modules | 28,134 | 19.8 | 47,407 | 27.6 | 61,476 | 32.1 | 45,882 | 26.5 |
| Power Supplies and Other Modules | 12,053 | 8.5 | 11,614 | 6.8 | 11,416 | 6.0 | 12,169 | 7.0 |
| Modules Total | 40,187 | 28.3 | 59,021 | 34.4 | 72,892 | 38.1 | 58,051 | 33.5 |
| Net sales | 141,991 | 100.0 | 171,474 | 100.0 | 191,487 | 100.0 | 173,406 | 100.0 |

| | Millions of yen | | | | | |
|----------------------------------|-------------------------------------|-------|--|-------|---|-------|
| | Three months ended June 30, 2013 | | Three months ended September 30, 2013 | | Three months ended December 31, 2013 | |
| | | % *1 | | % *1 | | % *1 |
| Capacitors | 66,104 | 34.5 | 72,320 | 32.7 | 74,159 | 31.7 |
| Piezoelectric Components | 24,206 | 12.6 | 24,337 | 11.0 | 23,481 | 10.0 |
| Other Components | 35,317 | 18.4 | 42,990 | 19.5 | 42,549 | 18.2 |
| Components Total | 125,627 | 65.5 | 139,647 | 63.2 | 140,189 | 59.9 |
| Communication Modules | 52,009 | 27.1 | 67,705 | 30.7 | 79,723 | 34.0 |
| Power Supplies and Other Modules | 14,277 | 7.4 | 13,515 | 6.1 | 14,224 | 6.1 |
| Modules Total | 66,286 | 34.5 | 81,220 | 36.8 | 93,947 | 40.1 |
| Net sales | 191,913 | 100.0 | 220,867 | 100.0 | 234,136 | 100.0 |

*1 Component ratio

*2 Exclusive of consumption taxes