

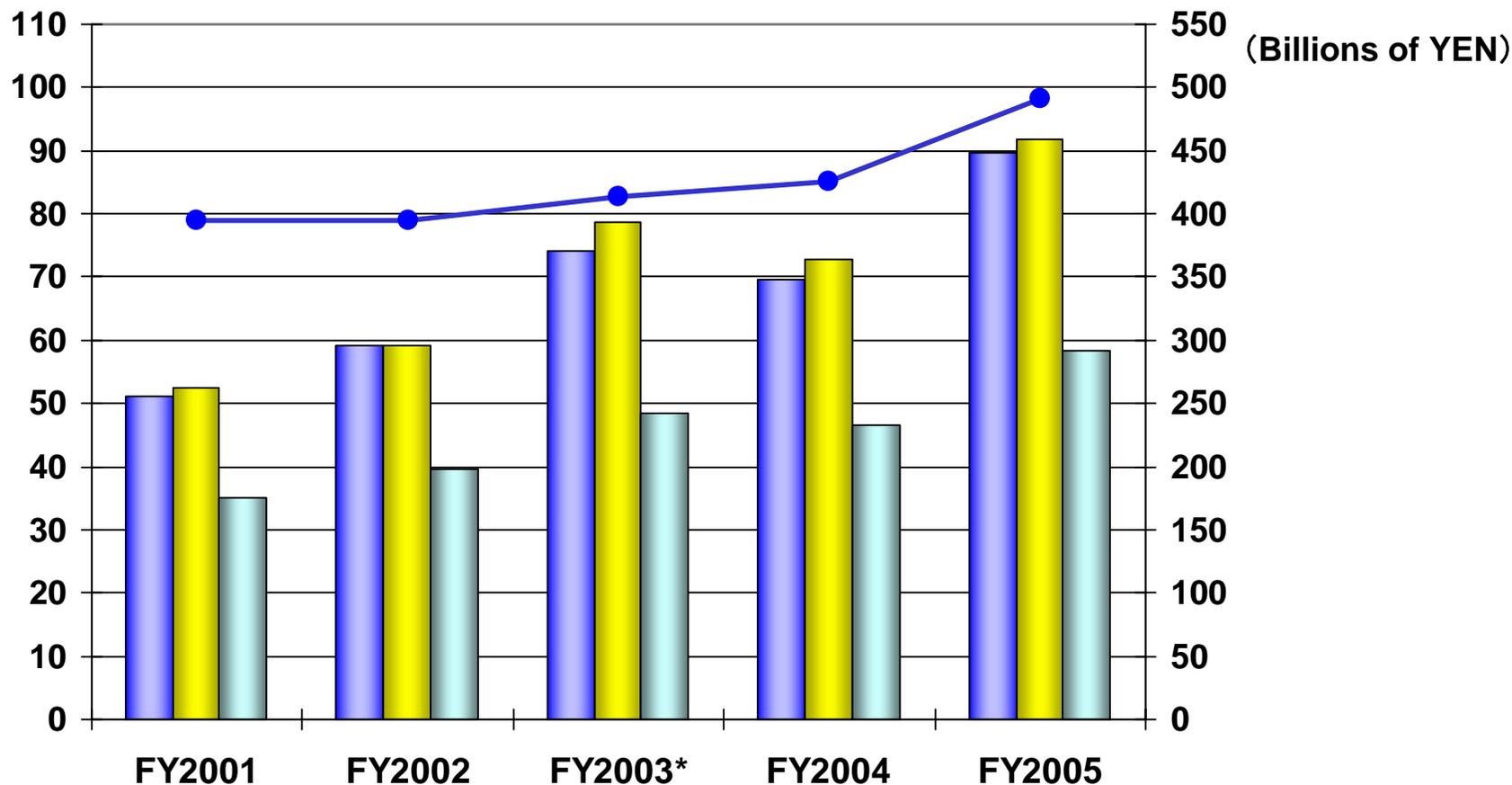
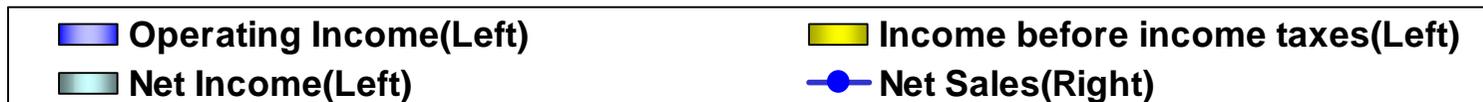
INFORMATION MEETING

2006

The logo consists of the word "muRata" in a white, italicized, sans-serif font, set against a red rectangular background.

**Murata
Manufacturing Co., Ltd.**

Business Performance Overview FY2005



(*) Including the influence of the Termination and Retirement Plan

Business Performance Overview FY2005

(Billions of YEN, %)

	FY2004		FY2005		Growth	
	Amount	%	Amount	%	Amount	%
Net sales	424.5	100.0	490.8	100.0	+66.3	+15.6
Gross Profit	168.9	39.8	194.8	39.7	+26.0	+15.4
Operating income	69.5	16.4	89.8	18.3	+20.3	+29.2
Income before income taxes	72.9	17.2	91.7	18.7	+18.8	+25.8
Net income	46.6	11.0	58.4	11.9	+11.9	+25.5

Business Performance Forecast for FY2006

(Billions of YEN, %)

	1H FY2006		2H FY2006		FY2006	
	Amount	%	Amount	%	Amount	%
Net sales	265.0	+15.8	275.0	+5.0	540.0	+10.0
Operating income	48.0	+26.7	54.0	+3.9	102.0	+13.5
Income before income taxes	49.5	+25.9	55.5	+6.0	105.0	+14.5
Net income	31.0	+25.0	35.0	+4.0	66.0	+12.9

* Growth ratio against the same term of the previous year

Electronic Equipment Market



< Sales, Production, and Demand Assumptions (Murata's estimation) >(Million Units)

		FY2005	FY2006	Growth
Mobile Phones	Sales	754	864	+15%
	Component Demand	826	948	+15%
Personal Computers	Sales	201	224	+11%
	Component Demand	222	242	+9%
LCD-TV sets	Production	21	42	+100%
PDP-TV sets	Production	6	11	+80%
Digital Still Cameras	Production	91	97	+7%
DVD Recorders	Production	18	25	+42%

-Mobile Phones

- Full-scale diffusion of new 3G mobile phones, inclusion of more advanced functions
 - Color displays, built-in cameras, Bluetooth[®] connectivity, terrestrial digital broadcast reception
 - The use of Murata components are 1.5 to 2 times higher per unit than in earlier phones

-PCs

- Growing use of dual-core MPUs
 - Expansion of demand for application-specific and large-capacitance capacitors
 - Sales of capacitors per MPU will approximately double, compared with conventional single core MPUs

-Flat-screen televisions

- Sharp growth in production
 - A single 32-inch or larger flat-screen TV contains 700 to 1,400 ceramic capacitors
(15-inch CRT TV contains only 200 ceramic capacitors)

New demands for electronic components

Development of a “ubiquitous network society”

- Wireless telecommunication
 - Already a very large market for mobile phones, wireless LANs, and Bluetooth[®]
 - Introduction of new wireless telecommunication technologies such as UWB, Zigbee, and WiMax
- Digital terrestrial broadcasts
 - Use of mobile phones to receive digital broadcasts through DVB-H standard
 - Worldwide adoption is expected.



High growth is expected in many areas.

Automobile Electronics

- Diffusion of hybrid cars
- Automotive LAN
- RKE (Remote keyless Entry)
TPMS (Tire Pressure Monitoring System)
- Car navigation system
- ETC (Electronic Toll Collection)
- Launch of DSRC (Dedicated Short Range
Communication)

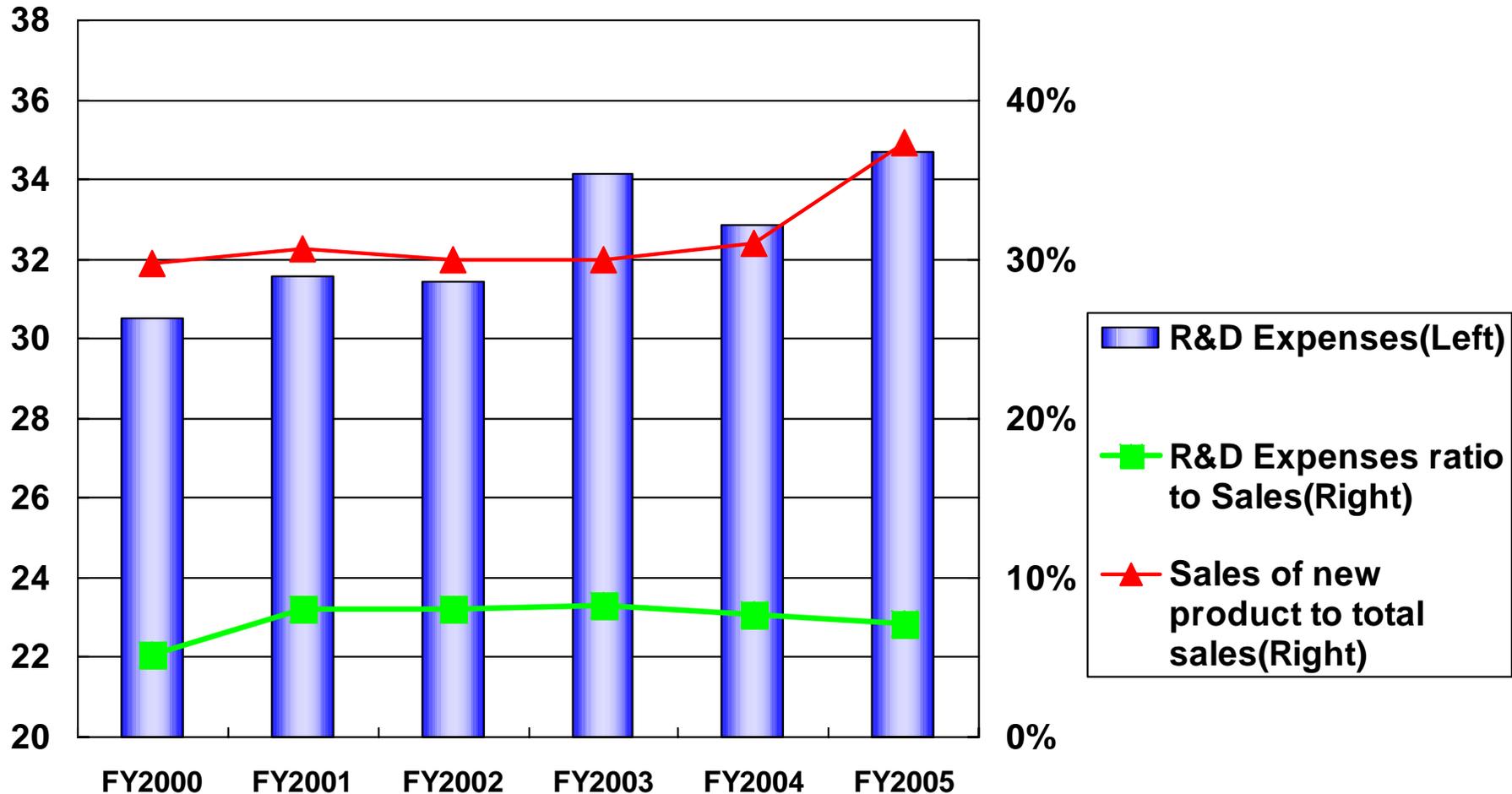


Further growth in the automobile electronics market is expected.

R&D Expenses



Billions of Yen



Intellectual Properties



Number of Patents

	Japan	U.S.	Others
Issued Patents (FY2005)	408	228	747
Registered Patents (as of Dec. 31, 2005)	5,102	3,660	6,192

- Number of patent applications ranks among the top class within the industry.
- Number of patent registration in the U.S. in 2005 was the highest among Japanese component manufacturers.
- Intellectual property strategy to place emphasis not only on the number of patents but also on the quality of patents.

Growth of Midterm Demand



Demand of electronic components

- Rising production of electronic equipment
 - Digitalization and incorporation of more advanced functions into electronic equipment (Structural change in demands)
- Demand for components will grow by over 10% per year for the next two to three years

Our approach

- High level of spending on R&D (7 to 8 percent of net sales)
- Improvement of new product sales to total sales ratio (target: 40%)
- Effective use of intellectual properties

Our new products with advanced functions will enable us to achieve a higher rate of growth than the market as a whole.

Capital expenditure plan



(Billions of YEN)

	FY2005	FY2006	Growth
Production facilities	31.5	45.0	+13.5
R&D facilities	6.9	8.0	+1.1
Land, buildings	4.9	20.0	+15.1
Others	7.7	7.0	(0.7)
Total	51.0	80.0	+29.0

[Production facilities]

MLCCs, Bluetooth[®] modules, Saw filters, Ceramic multilayer devices, etc.

[Land and buildings]

New buildings for products such as MLCCs, microwave devices, power supplies, and raw materials

Capacitors, Piezo electric products, and
Noise suppression components

-Utilize the characteristics of ceramic materials



- Developing new products with advanced functions
 - Hold a high market share
- Manufacturing our own ceramic materials
 - Some of the most profitable within our product portfolio

Capacitors



Large-capacitance ceramic capacitors whose sales are growing rapidly through miniaturization and larger capacitance

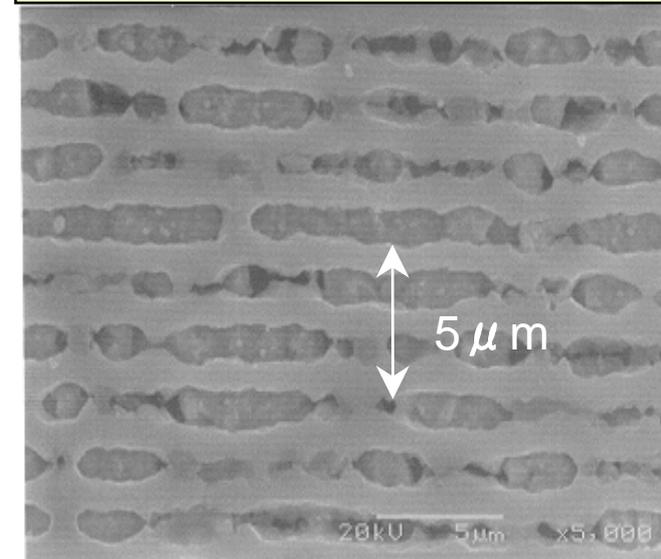
First company to mass-produce large-capacitance MLCCs using leading-edge 1.0 μm thin-layer dielectrics

- Sales of 1608 size 10 μF products and 2012 size 22 μF products are rapidly increasing.
- Commercialized 3216-size 100 μF capacitors, currently working towards bringing 2012-size 100 μF product into the market.

We have strengthened the lineup of compact and large-capacitance MLCCs

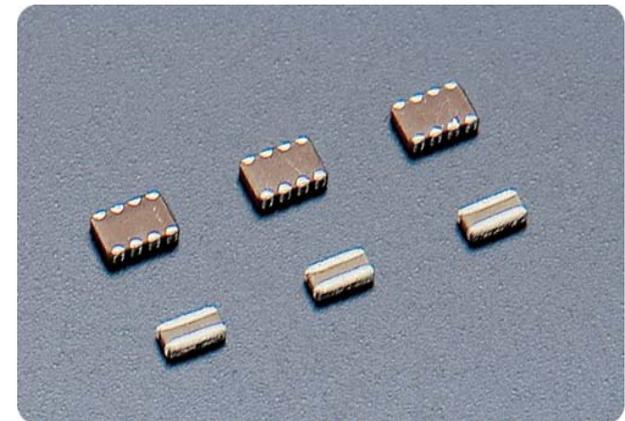
- Promoting the replacement of electrolytic capacitors
- Increase of demand due to the trend toward miniaturization and functional sophistication of mobile phones, PCs, digital AV equipment and gaming devices

1.0 μm thin-layer dielectrics



Expansion of application-specific capacitors with advanced MPU functionality

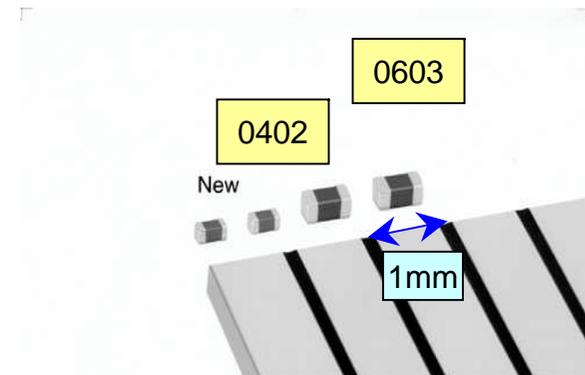
- Low-ESL type capacitors
 - High market share
 - The proportion of MPUs with multiple cores is increasing and demand for Low-ESL type and large-capacitance capacitors is expected to rise.
 - Expansion in the gaming device and automobile electronics market



Chip Monolithic Ceramic Capacitors (low-ESL type capacitors)

Small size capacitors that contribute to functional sophistication of electronics equipment

- 0603-size
 - Growing demand due to the shift to smaller and more advanced electronic equipment
 - Net sales have grown by some 50% per year over the past several years
 - Used not only in power amplifier modules for mobile phones but also for the main boards of mobile phones, digital still cameras and portable gaming devices
- 0402-size
 - Murata was the first in the industry to commercialize
 - Starting to be used in the power amplifier modules for mobile phones



0.4 × 0.2mm, 0.6 × 0.3mm Size Ceramic Capacitors

Improved profit structure of capacitors

High added-value products such as large-capacitance MLCCs, application-specific capacitors and 0603-size capacitors, account over half of Murata's total net sales of capacitors.



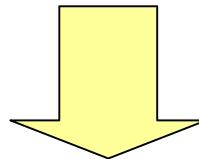
Murata is differentiating itself from other manufacturers in the industry and improving its profitability by utilizing its technological expertise to continue creating new products offering advanced functions.

Noise suppression components



Demand growth driven by digitalization and increasing functional sophistication in equipment

Growing importance of noise suppression due to digitalization and increasing functional sophistication in equipment



Sales of our noise suppression components have grown steadily over the past few years, thereby offsetting the effect of price declines.

Noise suppression components



- Chip ferrite bead EMI filters (BLM)
 - A PDP-TV uses about 80 units
- Chip three-terminal capacitors (NFM)
 - Having special noise suppression characteristics for power supply lines
 - A DVD recorder uses about 15 units
- Chip coils (LQW/LQG/LQP)
 - Growing sales due to the trend to digitalization and increasing functional sophistication of mobile phones
 - A mobile phone requires about 30 units.
- Chip common-mode choke coils (DCC)
 - Effectively removing noise generated by high-speed interfaces



BLM Series



NFM21P Series



LQW/LQG/LQP Series

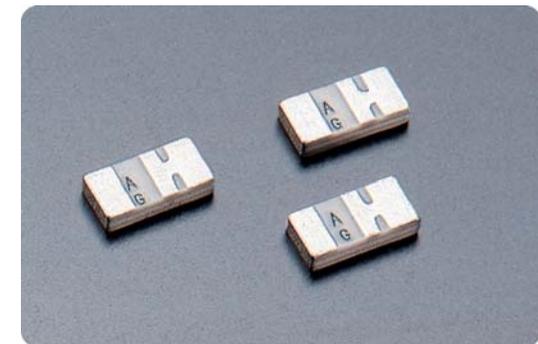
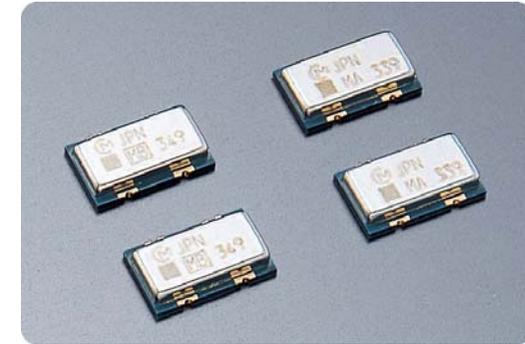


DLP/DLW31S Series

Sensor-related products



- GYROSTAR[®]
 - Used for image stabilization
 - Use in digital still cameras is growing
 - High market share
- Shock sensors
 - Used for vibration detection in HDDs
 - High market share



Net sales of these products for fiscal 2005 were up more than 30% over the previous year.

Expanding application of sensor-related products

- Gyroscopes using MEMS (Micro Electro Mechanical Systems) technology for car navigation systems
- Shock sensors for air bags
- Sensors for gaming devices

SAW Filters

Expansion of demand

- Rise in production of mobile phones
- The advent of multi-band phones has led to the need for higher numbers of SAW filters per phone
(Conventional mobile phones: two to three filters per phone;
Multi-band 3G phones: six to seven filters per phone)

Our approach

- Chip-size packaging technology to meet the demand for smaller and more complex SAW filters
(Dual SAW filters, SAW duplexers)
- Improvement of delivery times and service standards



Murata's market share is increasing,
narrowing its gap with the market leader.

Expansion of module business through design-in activities

- Customers are increasingly seeking to purchase components in the form of modules.
- Use of chip components in modules is causing a synergy effect for the Murata group as a whole.
- Furthering design-in activities.

Bluetooth[®] Modules



- Proportion of Bluetooth[®] -equipped mobile phones

FY2004 Actual	FY2005 Actual	FY2006 Estimation
10%	25%	35%

Estimated to reach 50% within the next several years.

- Net sales of Bluetooth[®] modules
(Billions of Yen)

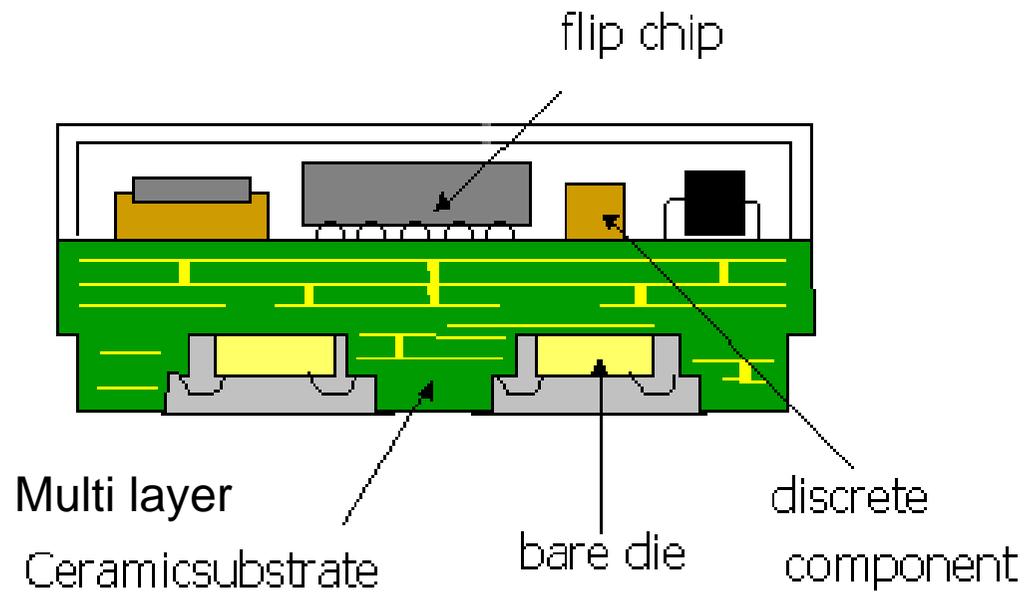
FY2004 Actual	FY2005 Actual	FY2006 Plan
15	45	64

Murata holds a large share in the mobile phone market.

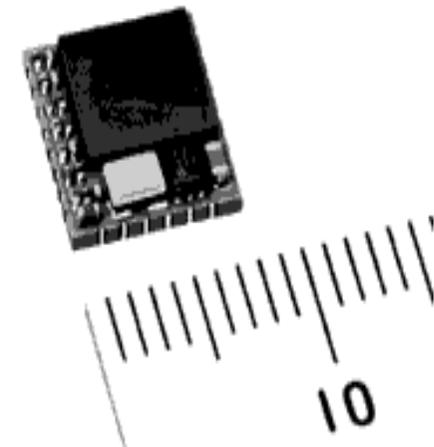
Bluetooth[®] Modules



<Structure>



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Buyout of SyChip, Inc.



Price of buyout: approx. 137 million US\$

Aim:

1. To expand our wireless LAN module business

-SyChip products are supplied for application markets such as VoIP(growing market), POS terminal, and PDA(niche market), which were not within our coverage.

2. To strengthen our wireless module business by utilizing SyChip's software technologies

-Utilizing SyChip's software technology and software support know-how for our module business based of LTCC technology

-Expected to contribute to the expansion of our wireless module business to areas such as Wireless LAN, Bluetooth, and UWB.

3. To strengthen and develop our technology in new fields

-Acquisition of new IPD (Integrated Passive Device) technology

Sychip's number of employees: 70 (includes 56 Engineers)

The wireless telecommunication market is seeing a growth of new technologies.

〔 From wireless LAN, Bluetooth[®] to UWB, WiMax, and Zigbee 〕

- Adoption of the LTCC technology to wireless telecommunication modules
- Utilization of the newly acquired IPD and software technology



Murata is set to further consolidate its standing as the top manufacturer of electronic components in the wireless market.

Dividends per share



(Yen)

	Interim	Year-end	Annual
FY2004 Actual	25	25	50
FY2005 Actual	30	40	70
FY2006 Plan	40	40	80

Return to shareholders ratio



(Billions of Yen, %)

		FY2002	FY2003	FY2004	FY2005	Total
a. Net income		39.5	48.5	46.6	58.4	193.0
b. Share buy-back		48.0	32.1	27.1	15.6	122.9
*(Average price per share)		(5,467)	(5,534)	(5,511)	(5,540)	(5,503)
c. Dividend		11.9	11.6	11.3	15.5	50.3
d. Dividend payout ratio	$c \div a$	30%	24%	24%	27%	26%
e. Share buy-back/Net income	$b \div a$	122%	66%	58%	27%	64%
f. Return to shareholders ratio	$(b+c) \div a$	152%	90%	82%	53%	90%

1. Return to shareholders ratio: The total of dividend and repurchased stock value divided by the net income

2. Average price per share is shown in Yen.

- These statements with respect to Murata's estimates, strategies, beliefs and other statements that are not historical facts are based on management's assumptions and beliefs in light of the information currently available to it and involve uncertainties. Therefore, you should not place undue reliance on them.
- Murata undertakes no obligation to update the information contained in any portion of these statements.

