



September 14, 2018

Company name: Murata Manufacturing Co., Ltd.
Name of representative: Tsuneo Murata
Chairman of the Board, President and
Representative Director
(Code: 6981, First section of
the Tokyo Stock Exchange)
Contact: Toshiyuki Ozawa
General Manager of Corporate
Communication Department
(Phone: 075-955-6786)

Notice of an Absorption-type Merger of a Consolidated Subsidiary

Murata Manufacturing Co., Ltd. (“Company”) hereby announces that, at the Board of Directors held on September 14, 2018, a resolution was made to carry out an absorption-type merger of the Company’s wholly-owned subsidiary, Murata Electronics Co., Ltd. (“Murata Electronics”), on April 1, 2019. As this is a simplified absorption-type merger involving a wholly-owned subsidiary of the Company, some of the disclosure items and details have been omitted.

1. Purpose of the Merger

Murata Electronics is a sales company that was established as a wholly-owned subsidiary of the Company in 1994 in order to expand sales activities in Japan.

The Company has been considering reinforcing its domestic sales structure in response to major changes to the Japanese market in recent years and reached the conclusion that the most appropriate course of action would be to consolidate the Murata Group’s sales resources.

Through this absorption-type merger, the Company will move forward with strengthening CS, revising the business process, and reorganizing the sales structure, while also putting effort into structural enhancements aimed at new business opportunities, and striving to provide even higher quality services to customers.

2. Outline of Merger

(1) Schedule of merger

| | |
|--------------------|---|
| September 14, 2018 | Board of Directors where the merger resolution was made Conclusion of the merger agreement |
| April 1, 2019 | Scheduled date of merger (effective date) |

(Note) For the Company, this merger qualifies as a simplified merger as stipulated in Article 796, paragraph 2 of the Companies Act, and for Murata Electronics, this merger qualifies as a short-form merger as stipulated in Article 784, paragraph 1 of the Companies Act. As such, this merger will be carried out without receiving approval for the merger agreement related to this merger at either company’s general meeting of shareholders.

(2) Method of the merger

Absorption-type merger in which the Company shall be the surviving company, and Murata Electronics shall be the absorbed company.

(3) Details of allocations related to merger

As this merger involves a wholly-owned subsidiary of the Company, there will be no allotment of shares or delivery of any other consideration as a result of this merger.

(4) Treatments of share acquisition rights and bonds with share acquisition rights following the merger

The absorbed company has not issued share acquisition rights or bonds with share acquisition rights.

3. Overview of the Companies Involved in this Merger (As of March 31, 2018)

| | Surviving company (Company) | Absorbed company (Murata Electronics) |
|---|---|--|
| (1) Company name | Murata Manufacturing Co., Ltd. | Murata Electronics Co., Ltd. |
| (2) Location | 10-1, Higashikotari 1-chome, Nagaokakyo-shi, Kyoto, Japan | Yokohama Landmark Tower 19F, 2-1, Minatomirai 2-chome, Nishi-ku, Yokohama-shi, Kanagawa, Japan |
| (3) Title and name of the representative | Tsuneo Murata Chairman of the Board, President and Representative Director | Satoshi Sonoda President and Representative Director |
| (4) Business areas | Research and development, production, and sales of electronic components made from fine ceramics | Sales of electronic components |
| (5) Capital | 69,444 million yen | 310 million yen |
| (6) Date of establishment | December 23, 1950 | March 8, 1994 |
| (7) Number of issued shares | 225,271,427 shares | 2,200 shares |
| (8) Account closing date | March 31 | March 31 |
| (9) Major shareholders and ownership ratio (Note 1) | <ul style="list-style-type: none">● JP Morgan Chase Bank 8.3% 380055● Japan Trustee Services 5.8% Bank, Ltd. (Trust Account)● The Master Trust Bank 4.0% of Japan, Ltd. (Trust Account)● Nippon Life Insurance 3.5% Company● State Street Bank And 3.1% Trust Company | <ul style="list-style-type: none">● Murata Manufacturing Co., Ltd. 100% |

| (10) Operating results and financial position of the previous fiscal year | | |
|---|---|---|
| Accounting period | Year ended March 31, 2018 (Consolidated) | Year ended March 31, 2018 (Unconsolidated) |
| Net assets | 1,457,216 million yen | 7,082 million yen |
| Total assets | 1,797,013 million yen | 11,303 million yen |
| Net assets per share | 6,830.45 yen (Note 2) | 3,219,129.38 yen |
| Net sales | 1,371,842 million yen | 19,927 million yen |
| Operating income | 162,146 million yen | 2,022 million yen |
| Ordinary income | 167,801 million yen (Note 3) | 2,031 million yen |
| Net income | 146,086 million yen (Note 4) | 1,410 million yen |
| Basic earnings per share | 685.86 yen (Note 4) | 640,813.97 yen |

(Note 1) As of March 31, 2018, the Company holds 12,020,374 treasury shares (5.3%).

(Note 2) The Company prepares its consolidated financial statements based on the U.S.'s business accounting standards generally accepted as fair and appropriate ("US-GAAP"). As such, this figure represents "shareholders' equity per share."

(Note 3) This figure represents "income before income taxes" calculated based on US-GAAP.

(Note 4) These figures represent "net income attributable to Murata Corporation" and "basic earnings attributable to Murata Corporation per share" calculated based on US-GAAP.

4. Status of the Company after the Merger

After this merger, there will be no change to the Company name, location, title and name of the representative, business areas, capital, and account closing date.

5. Future Outlook

This merger will have no effect on the Company's consolidated performance.