

Second Quarter of FY2012 Presentation Q&A

Q: What was the production amount for the second quarter?

A: It was 177.7 billion yen.

Q: Why did the operating profit for the first half increase from the projection announced on July 31?

A: Profit from production increase was higher than the projection by 5 billion yen and profit from other factors including the change in product mixes was higher than the forecast by 0.9 billion yen, while cost reduction was lower than the outlook by 1.5 million yen. (All figures are based on our estimate.)

Q: How do you expect order intake from now on?

A: We expect order intake to remain robust for the third quarter because of Christmas sales.

Q: How much sales do you expect for the third and fourth quarters?

A: We project 183.8 billion yen for the third quarter and 166.5 billion yen for the fourth quarter.

Q: What will the operating rate be for the second half?

A: The operating rate was 100% for the first quarter. It is expected to remain 100% for the second half. Both rates are based on 20 operating days per month.

Q: For what product will you increase the production capacity through additional capital expenditures?

A: We will raise the production capacity of ultra-compact and high-capacitance MLCCs (multilayer ceramic capacitors) to meet growing demand.

Q: Why did inventories increase in the second quarter? How much inventories do you expect at the end of this fiscal year?

A: Inventories of MLCCs and Communication Modules increased to prepare demand growth expected in the third quarter. We are planning to maintain the current level of inventories at the end of this fiscal year to prepare demand increase expected in the next fiscal year.

Q: How do you forecast the units of major electronic devices such as mobile phones, PCs, and flat-screen TVs for the year ending March 31, 2013?

A: We forecast 5% increase for mobile phones, 13% increase for PCs (including tablet devices), and the same level for flat-screen TVs from the previous fiscal year.

This Q&A 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 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 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.

The Company undertakes no obligation to publicly update any forward-looking statements included in this Q&A.