

First Quarter of FY2013 Presentation Q&A

Q: How much is order intake after 13Q2 as your expectation? How about capacity utilization plan do you expect?

A: Our order intake in July is higher than the last month thanks to increasing many kinds of products. The order would be the highest in our history as monthly basis. We expect a peak of our order would hit in 13Q2 and a peak of sales would hit in 13Q3. The capacity utilization ratio would be 100% based on 20 operating days per month. Regarding MLCCs, it would be 90% based on 27 operating days per month.

Q: Now, smart phones has already been penetrated in worldwide and commoditized. Do you think an impact of increasing the composition ratio for low price smartphones.

A: Sales amount of electronic parts per unit of low price smartphones in emerging countries will be lower than the parts per high end smart phones, because the low price smartphones have not adopted electronic modules yet. However, they have already started to use equivalent level of MLCCs and SAW filters comparing with the high end smartphones. We try to expand not only electronic parts for low price smartphones but also the sales of high value added products for highly-functional smartphones.

Q: How much level of inventories do you plan in the end of September?

A: We plan to produce the product the same level as sales. We do not plan to increase inventories in the end of September.

Q: How much fixed costs do you plan in 13Q2?

A: Semi valuable costs and fixed costs in 13Q1 were increased owing to increase production capacity to cope with incoming demand. Regarding 13Q2, it is difficult to forecast how much the semi variable costs such as energy costs would be, but we would manage to control other expenses.

Q: What is the reason of inventory increase in June?

A: Mainly, finished goods were increased. It includes the impact of value evaluation of inventory which overseas subsidiaries have by yen depreciation. By products, we increased inventory of short-range wireless communication modules.

Q: Was an increase in semi variable costs and fixed costs in line with your original plan?

A: These costs were higher than our original plan because production amount in 13Q1 was

higher than our plan.

Q: Sales of Home and Others segment increased and I suppose it was mainly caused by an increase in the distributor business in China. How much sales came from this business?

A: We segmented the distributor business as Home and Others, because we cannot grasp accurately end applications through distributors. Thus, we cannot answer to your question clearly.

Q: How much was operating rate of SAW filters in 13Q1?

A: We increased the production capacity of SAW filters owing to the demand increase. However the demand level is larger than our original forecast and we continue to utilize full capacities. We expect the full capacity utilization will be continued for a while.

Q: Are there any changes about the increase of production capacity from your original plan of April?

A: There is no change for MLCCs production capacity. Regarding SAW filters, we revised the plan of production capacity increase from 20% to 30% because the demand of SAW filters has been increasing faster than our expectation. Regarding 13F2, we will decide after assessing the market demand.

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.