

Earnings Release Conference First Quarter of FY2016 (April 1, 2016 to June 30, 2016)

July 28, 2016

Murata Manufacturing Co., Ltd.



<http://www.murata.com/ir/library/index.html>

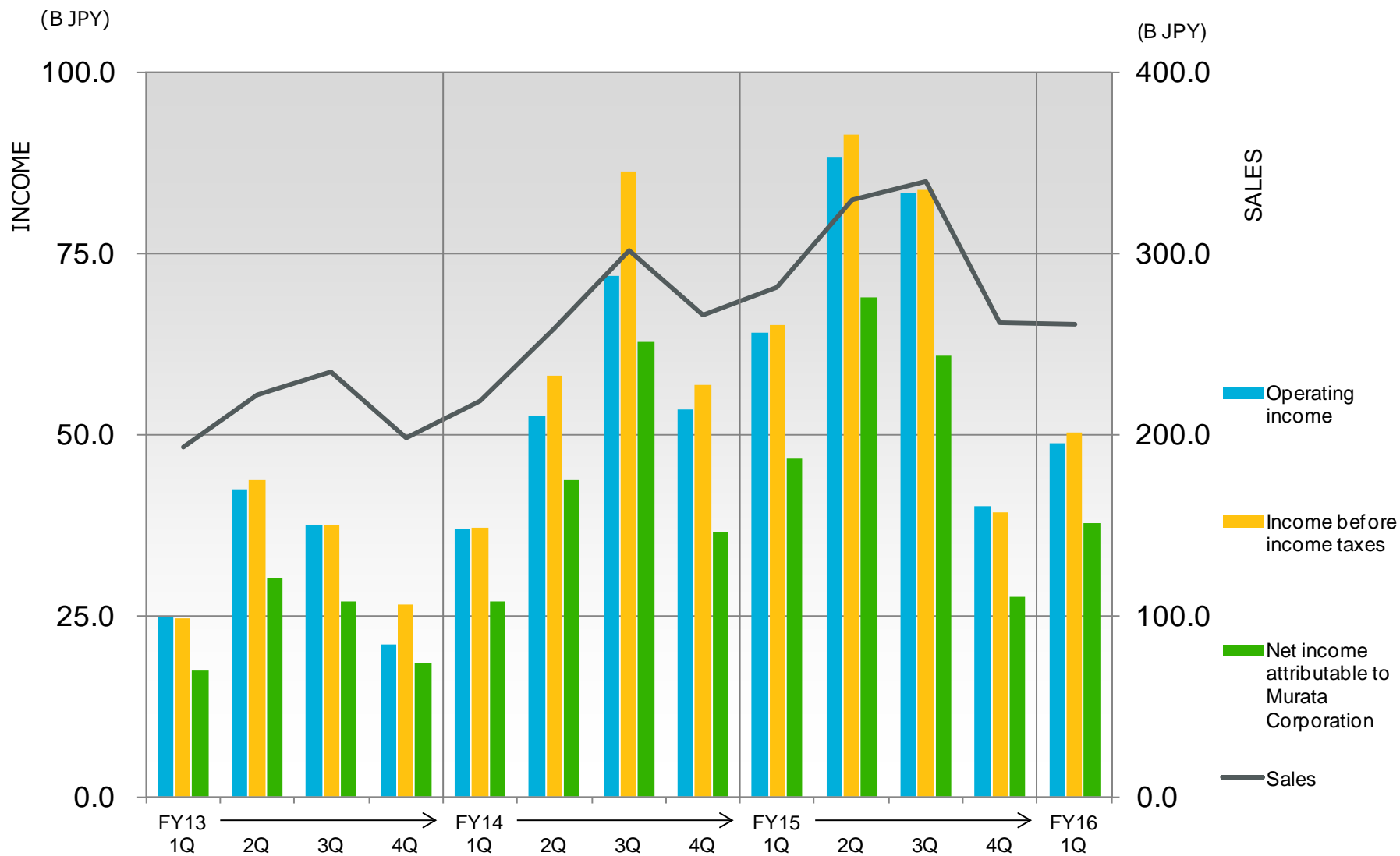
Topics of Financial Results for FY2016 First Quarter

- Sales for the first quarter could not achieve our plan by sales decrease for specific customers and high-value of yen, while sales for automotive and multi-band smartphone in China steadily increased.
- Operating income of the first quarter was down 24% from the same period in FY2015 because of exchange fluctuation and cost increase relevant to capital investment and R&D investment for demand increase in the future.
- Operating income ratio was 18.7%, down 4.1 points from the same period in FY2015.
- It was 39% of the projected finance results for the first half of FY2016 announced on April 28th.

1. First Quarter of FY2016

From April 1, 2016 to June 30, 2016
Consolidated Basis

Quarterly Financial Results

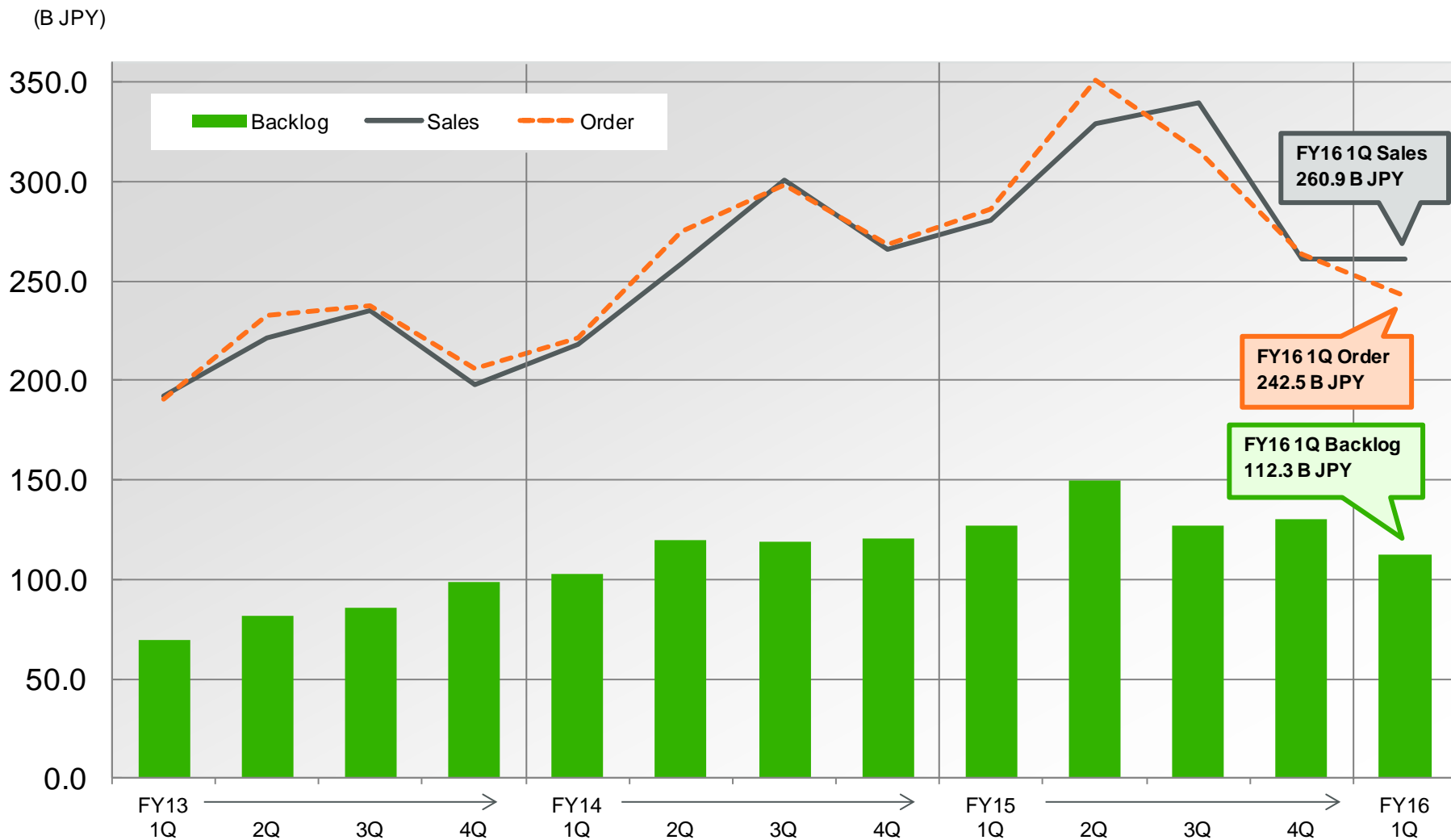


Financial Results Overview

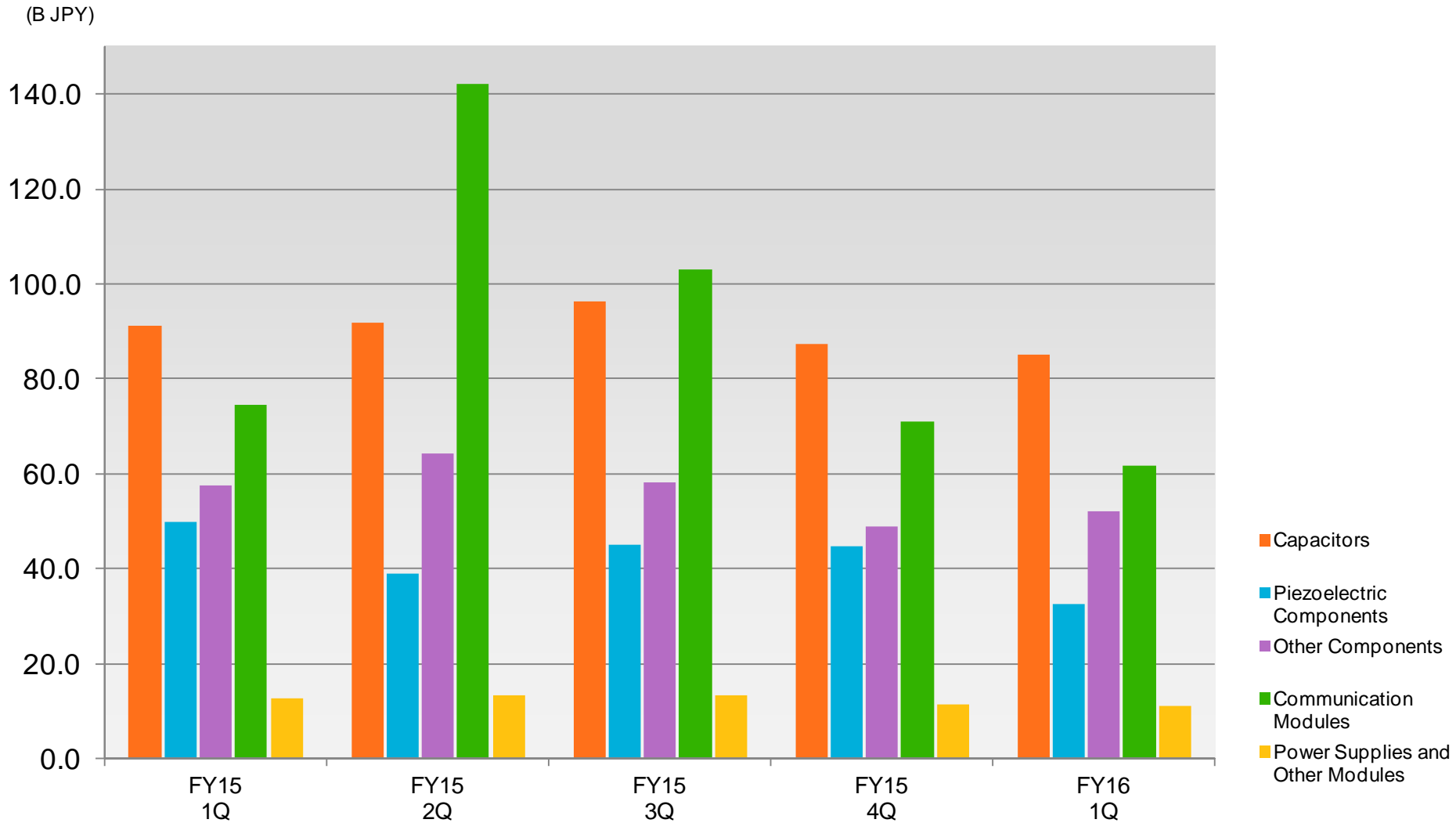
| | FY2015 1st Quarter | | FY2015 4th Quarter | | FY2016 1st Quarter | | Y on Y Change | | Q on Q Change | |
|--|-----------------------|-------|-----------------------|-------|-----------------------|-------|-------------------|--------|------------------|-------|
| | (a) | (%) | (b) | (%) | (c) | (%) | (c) vs. (a) | (%) | (c) vs. (b) | (%) |
| Net sales | (B JPY) 280.8 | 100.0 | (B JPY) 261.4 | 100.0 | (B JPY) 260.9 | 100.0 | (B JPY) (19.9) | (7.1) | (B JPY) (0.4) | (0.2) |
| Operating income | 64.0 | 22.8 | 40.0 | 15.3 | 48.7 | 18.7 | (15.3) | (23.9) | +8.7 | +21.8 |
| Income before income taxes | 65.0 | 23.1 | 39.2 | 15.0 | 50.2 | 19.2 | (14.8) | (22.8) | +11.1 | +28.2 |
| Net income attributable to Murata Corporation | 46.6 | 16.6 | 27.6 | 10.6 | 37.7 | 14.4 | (8.9) | (19.1) | +10.0 | +36.3 |

| | | | |
|---|--------|--------|--------|
| Average exchange rates Yen/US dollar | 121.37 | 115.45 | 108.25 |
|---|--------|--------|--------|

Quarterly Sales, Order and Backlog



Orders by Product



Sales by Product

| | FY2015 1st Quarter | | FY2015 4th Quarter | | FY2016 1st Quarter | | Y on Y Change | | Q on Q Change | |
|-------------------------------------|-----------------------|-------|-----------------------|-------|-----------------------|-------|------------------|--------|------------------|-------|
| | (a) | | (b) | | (c) | | (c) vs. (a) | | (c) vs. (b) | |
| | (B JPY) | (%) | (B JPY) | (%) | (B JPY) | (%) | (B JPY) | (%) | (B JPY) | (%) |
| Capacitors | 89.1 | 31.8 | 85.5 | 32.8 | 84.3 | 32.4 | (4.9) | (5.5) | (1.2) | (1.4) |
| Piezoelectric Components | 38.2 | 13.7 | 38.3 | 14.7 | 44.8 | 17.2 | +6.5 | +17.1 | +6.5 | +16.9 |
| Other Components | 56.6 | 20.2 | 48.5 | 18.6 | 50.8 | 19.5 | (5.8) | (10.2) | +2.4 | +4.9 |
| Communication Modules | 83.0 | 29.7 | 76.2 | 29.3 | 69.2 | 26.6 | (13.8) | (16.6) | (7.1) | (9.3) |
| Power Supplies and Other Modules | 13.0 | 4.6 | 12.0 | 4.6 | 11.1 | 4.3 | (1.9) | (14.4) | (0.8) | (7.0) |
| Net sales | 280.0 | 100.0 | 260.4 | 100.0 | 260.1 | 100.0 | (19.8) | (7.1) | (0.3) | (0.1) |

Sales by Product FY16 First Quarter vs. FY15 Fourth Quarter

| | |
|--|---|
| Capacitors (1.4%) | Multilayer Ceramic Capacitors : Sales of ultra-compact MLCCs and high-capacitance MLCCs for smartphone decreased because of high-value of yen, while sales for car electronics, computers and peripherals increased. |
| Piezoelectric Components +16.9% | SAW filters : Sales greatly increased thanks to demand increase for LTE smartphones and advancing multi-band in China. |
| Other Components +4.9% | Inductors(Coil) : Sales of High frequency coils increased for smartphones. Connector : Sales decreased for smartphones. |
| Communication Modules (9.3%) | Wireless modules and RF sub module : Sales decreased by high-value of yen and decrease of production for smartphone and tablets. |
| Power Supplies and Other Modules (7.0%) | Power Supplies : Sales decreased for office automation equipment. |

Sales by Application

| | FY2015 1st Quarter | | FY2015 4th Quarter | | FY2016 1st Quarter | | Y on Y Change | | Q on Q Change | |
|--------------------------------|-----------------------|-------|-----------------------|-------|-----------------------|-------|------------------|-------------|------------------|-------------|
| | (a) | (a) | (b) | (b) | (c) | (c) | (c) vs. (a) | (c) vs. (a) | (c) vs. (b) | (c) vs. (b) |
| | (B JPY) | (%) | (B JPY) | (%) | (B JPY) | (%) | (B JPY) | (%) | (B JPY) | (%) |
| AV | 11.8 | 4.2 | 10.2 | 3.9 | 10.7 | 4.1 | (1.1) | (9.6) | +0.5 | +4.9 |
| Communication | 164.0 | 58.6 | 145.3 | 55.8 | 145.5 | 55.9 | (18.5) | (11.3) | +0.2 | +0.1 |
| Computers and Peripherals | 39.2 | 14.0 | 38.6 | 14.8 | 37.8 | 14.5 | (1.5) | (3.7) | (0.8) | (2.2) |
| Automotive Electronics | 36.6 | 13.1 | 38.7 | 14.9 | 39.0 | 15.0 | +2.4 | +6.5 | +0.3 | +0.9 |
| Home Electronics and Others | 28.3 | 10.1 | 27.6 | 10.6 | 27.2 | 10.5 | (1.2) | (4.1) | (0.5) | (1.7) |
| Net sales | 280.0 | 100.0 | 260.4 | 100.0 | 260.1 | 100.0 | (19.8) | (7.1) | (0.3) | (0.1) |

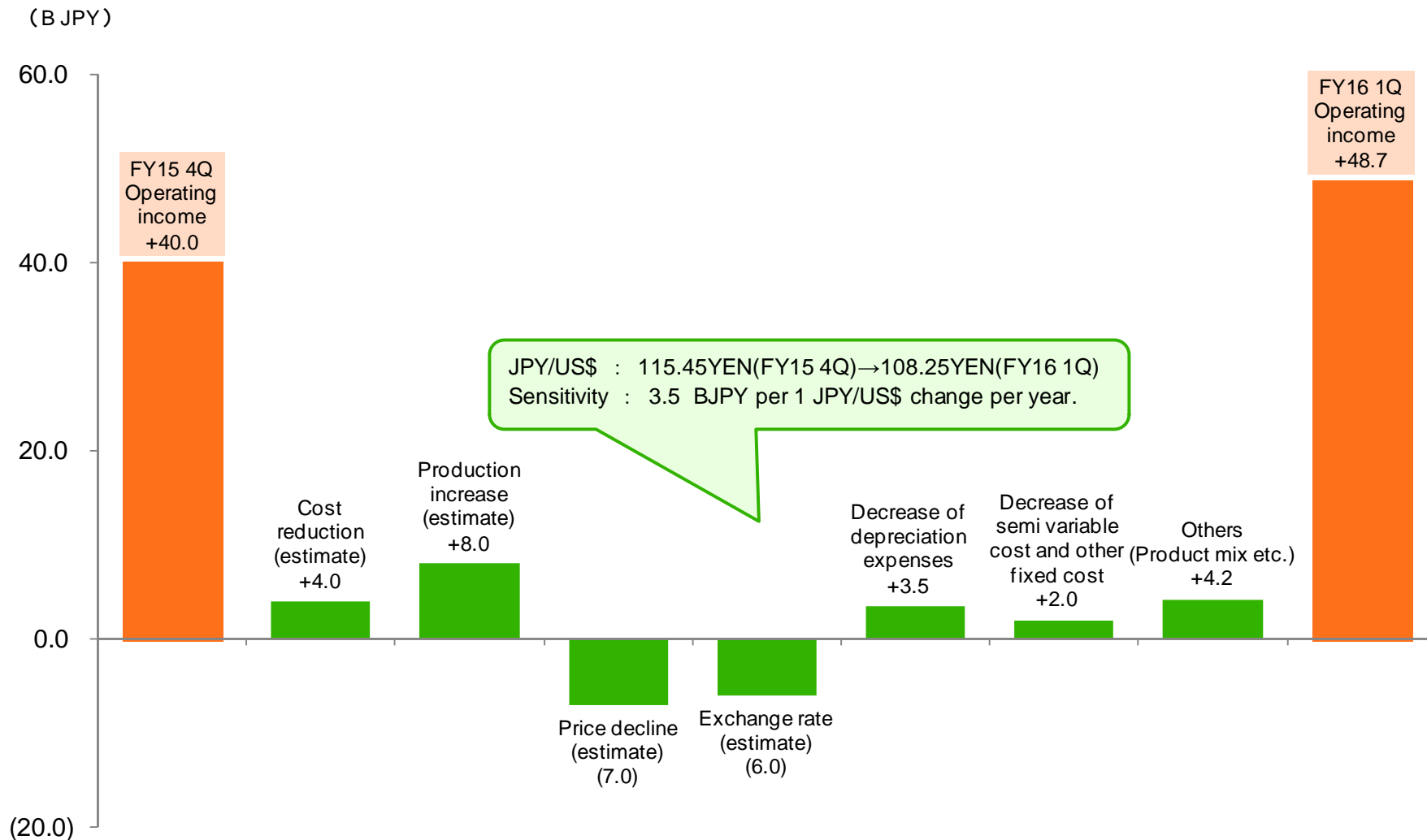
*Based on our estimate

Sales by Application FY16 First Quarter vs. FY15 Fourth Quarter

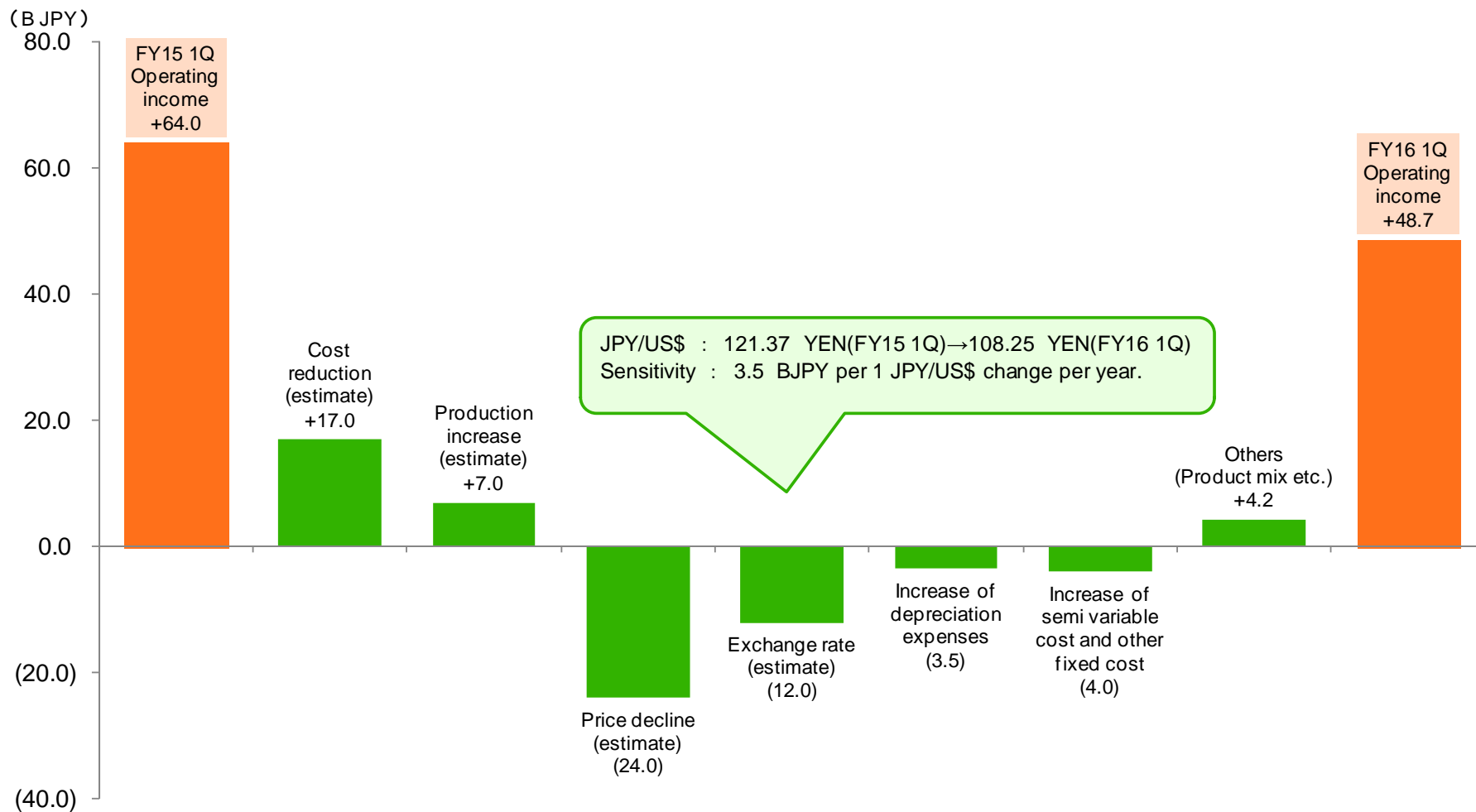
| | |
|---|---|
| <p>AV +4.9%</p> | <p>Sales of MLCCs increased for gaming device and set-top box.</p> |
| <p>Communication +0.1%</p> | <p>Sales of SAW filters significantly increased for smartphones in China. High frequency coils also increased.</p> <p>High-value of yen brought negative impact for the sales. Sales of Wireless modules, RF sub modules decreased.</p> |
| <p>Computers and Peripherals (2.2%)</p> | <p>Sales of Wireless modules for tablets decreased.</p> <p>Sales of Shock sensors increased for HDD.</p> |
| <p>Automotive Electronics +0.9%</p> | <p>Sales of MLCCs increased for car advanced electrification.</p> <p>Sales of MEMS sensor increased for safety devices.</p> <p>Sales of power supply decreased for car navigation.</p> |

*Based on our estimate

Breakdown of Operating Income Changes FY15 Fourth Quarter to FY16 First Quarter



Breakdown of Operating Income Changes FY15 First Quarter to FY16 First Quarter



2. Projected Financial Results for FY2016

(From April 2016 to March 2017)

Projected Financial Results for FY2016

| | FY2015 Actual | | FY2016 Projections | | | | Change | |
|---|------------------|-------|-----------------------|-------------|-----------------------|-------|---------|---------|
| | | | 1st Half | 2nd Half | FY2016 Projections | | | |
| | (B JPY) | (%) | (B JPY) | (B JPY) | (B JPY) | (%) | (B JPY) | (%) |
| Net sales | 1210.8 | 100.0 | 620.0 | 605.0 | 1225.0 | 100.0 | +14.2 | +1.2 |
| Operating income | 275.4 | 22.7 | 125.0 | 115.0 | 240.0 | 19.6 | (35.4) | (12.9) |
| Income before income taxes | 279.2 | 23.1 | 126.0 | 115.0 | 241.0 | 19.7 | (38.2) | (13.7) |
| Net income attributable to Murata Corporation | 203.8 | 16.8 | 93.0 | 85.0 | 178.0 | 14.5 | (25.8) | (12.6) |
| Average exchange rates Yen/US dollar | 120.14 | | | | 110.00 | | | |

- The Company did not revise the projected results for the year ending March 31, 2017, which were announced on April 28, 2016.

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 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 report.

Thank you

