

Second Quarter of FY2016 Presentation Q&A

Q: What measures will you take from now through 2017F to achieve the 5 to 10% sales growth target indicated in the Medium-term Plan?

A: In this fiscal year, we have suffered from a drop in the market share of communication modules and a negative exchange effect. Without these factors, we estimate we would be able to achieve 5 to 10% sales growth. We are currently working to make up for the decline in the share of the module market in 2017F. At the same time we will launch I.H.P. SAW technology to help strengthen our module business. We continue to be active in capital investment this fiscal year, helping our main products grow by 10 to 20% in sales volume. We affirm the view we presented in the Medium-term Plan, since we expect the increasing demand for electronic components to remain in the future.

Q: What was your capacity utilization for Q2 and forecast for the 2nd half of 2016F?

A: In Q2, the utilization of the entire company achieved 90% based on 20 operating days, and we expect to achieve 95% of that capacity in the 2nd half. MLCCs used 90% based on 27 operating days, and expect to achieve 90% in the 2nd half.

Q: What are the target applications for your batteries?

A: In addition to products for mobile devices, the Sony battery business has batteries for power tools for industrial equipment and batteries for Energy Storage System. While working to enhance mobile batteries, we will place greater emphasis on batteries for power tools and batteries for Energy Storage System. Batteries for mobile devices will continue to grow, but probably at a slower rate.

Q: Do you regard batteries for automotive applications as a main target for your battery segment?

A: We are keeping an eye on automotive applications in the medium to long term. At the present, however, we will focus on all-solid-state batteries and other products that can be placed on the market in the near future.

Q: How have you changed your view of the business environment in the 2nd half of this fiscal year compared with your previous forecast?

A: There are 3 to 4 types of materials in short supply in China, and this shortage will likely be difficult to eliminate during the 2nd half of 2016F. We expect to see mild seasonal adjustments in October and after, since the demand for new models was modest in summer compare to previous year.

Q: How will Murata be able to differentiate itself from the competition by integrating I.H.P. SAW filter in communication modules?

A: To accommodate the demand currently unavailable to Murata, we will strengthen our leadership further in the performance and cost-competitiveness of multiplexers and improve the performance of communication modules providing high added value.

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.