

Third Quarter of FY2016 Presentation Q&A

Q: What were your production and capacity utilization ratios for Q3 2016F and what is your planned production for Q4 2016F?

A: In Q3 2016F, our production reached 294.0 billion yen. We achieved 100% of our 20-day operation month equipment capacity company-wide, and 90% of our 27-day month capacity for MLCCs. Both figures were reached as planned. In Q4 2016F we plan to achieve 264.0 billion yen production (assuming an exchange rate of \$1=100 yen), the same level as we anticipated in October 2016.

Q: Could you give us an update on the shortage of materials for smartphones in China?

A: As we see it, mainly major smartphone manufacturers in China are now able to get materials, although the short supply has not been resolved in China's entire market for smartphones.

Q: What are your prospects for 2017F? For instance will you be able to regain the share of the communication module market you lost in the current fiscal year?

A: We cannot make any comments on how individual customers are adopting Murata products. However, we expect that the increasing functional sophistication will lead to growing demand for Murata components. We also expect that customers will use our compact large capacity MLCCs, the most advanced type of its kind, and new products fulfilling the requirements for functional sophistication. All in all, we are convinced that we are set to achieve growth of approximately 10% in the next fiscal year.

Q: What are the levels of your capital investment in 2017F?

A: We plan to make high levels of capital investment. We have yet to determine particulars such as specific ways of enhancing capacities and investment amounts.

Q: What are your plans on inventory development for Q4 2016F?

A: We can confirm our previous forecast here. In Q4 2016F, we expect a 5.0 billion yen increase in inventories.

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.