

Third Quarter of FY2017 Presentation Q&A

Q: What was your capacity utilization for Q3 and what are your plans for Q4?

A: In Q3 we used 105% of our 20-day operation month equipment capacity company-wide. In Q4 we expect to achieve 90% of that capacity. Capacitors used 100% of their 27-day operation month equipment capacity in Q3. In Q4 they will likely reach 95%.

Q: What were your production quantities in Q3 and what are your production plans for Q4?

A: Our production reached 405 billion yen in Q3. In Q4, production is expected to surpass sales, since we will build inventory to meet the demand generated in early spring.

Q: What is the advantage of MetroCirc™ over competing products?

A: It has an advantage in radio-frequency characteristics. It will prove more beneficial in uses around the antenna and in the future development of 5G technology.

Q: What are your prospects for the battery business in 2018F?

A: We anticipate strong demand in the battery business in 2018F as well. It will increase capacity utilization to reduce the deficit. The goal of moving into the black in 2019F remains unchanged.

Q: How are Murata SAW filters doing right now? What are your prospects for this product group in 2018F?

A: We consider that inventory adjustment is now over despite the weak demand from Chinese smartphone manufacturers. In 2018F, we expect to increase sales of high-value-added SAW filters, partly because we will see further progress in carrier aggregation.

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.