

First Quarter of FY2018 Presentation Q&A

Q: What makes you increase your capacitor prices? What kind of effects will the move generate and how will it likely generate the effects?

A: We are revising our prices for less profitable capacitors. We are also asking our customers to accept the revised prices for other capacitor products, which are necessary due to increasing production costs and for continued capacity enhancement in the future. We cannot comment on how much these prices are being raised and what kind of impact the price increase will have on our financial results because we are currently discussing these matters with our customers.

Q: Why was your order intake for capacitor very strong in Q1 2018F?

A: Because we had a very strong order intake for capacitors for automobile. Another reason is the rapid year-on-year growth of capacitors used for smartphones.

Q: How have you been increasing the production capacity for capacitors?

A: In that regard, we have been progressing as planned.

Q: How did the MetroCirc™ business do?

A: It suffered a loss in Q1 2018F because last year's models were continued and 2018F model launches incurred costs. This development had already been anticipated. In fact, the loss was less than half the loss suffered in the previous quarter.

Q: What are your price strategies for batteries?

A: That depends on our negotiations with our customers. We are asking them to accept at least the increase corresponding to the raw material price hikes.

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.