

Earnings Release Conference First Quarter of FY2018 (April 1, 2018 to June 30, 2018)

July 31, 2018

Murata Manufacturing Co., Ltd.



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

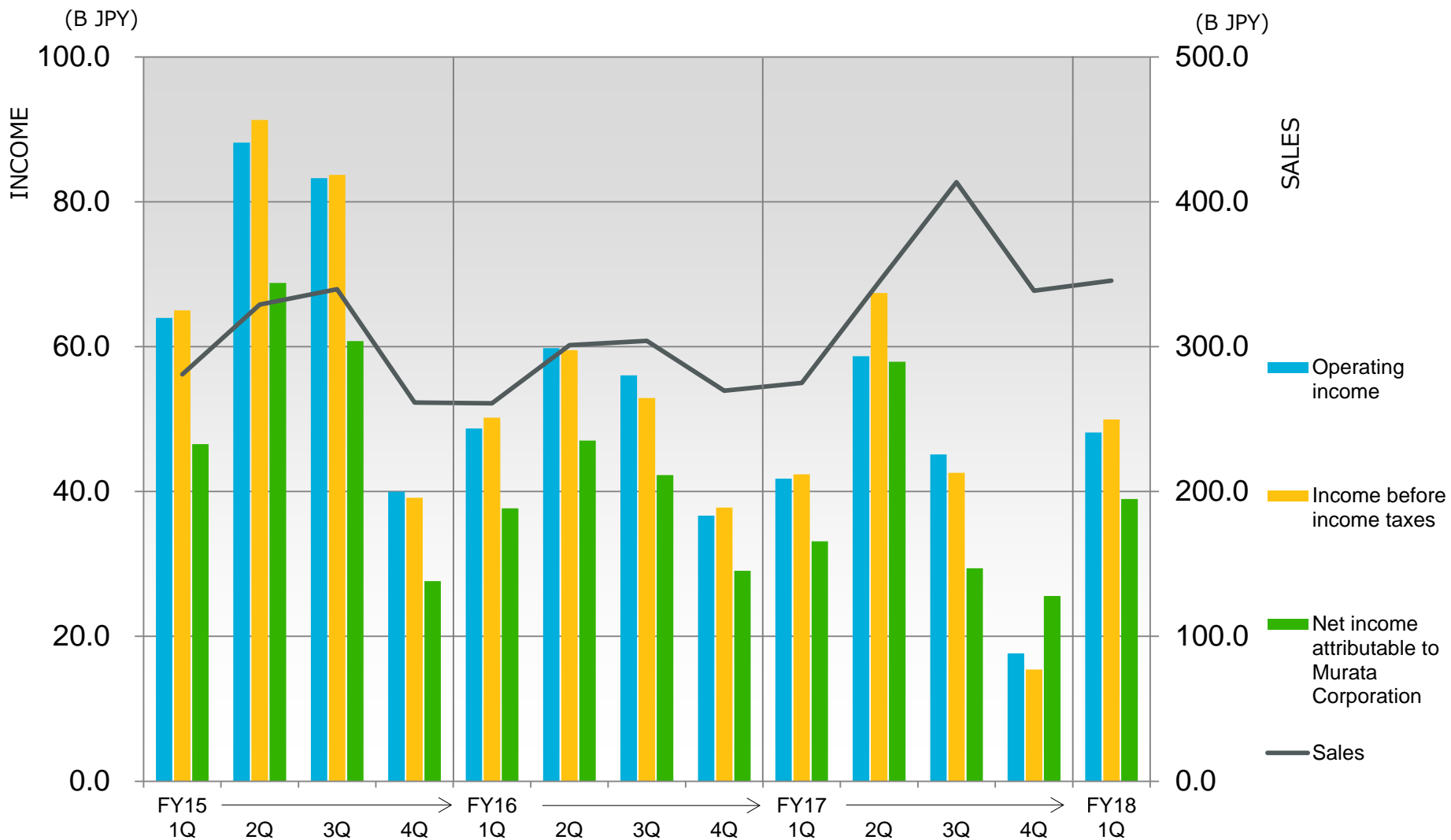
1. First Quarter of FY2018

From April 1, 2018 to June 30, 2018
Consolidated Basis

Topics of Financial Results for FY2018 First Quarter

- Net sales surpassed the target. Components, and capacitors in particular, were successful, including products for many applications such as car electronics and smartphones.
- Operating income posted a 15.2% year-on-year increase. Despite the stronger yen and higher costs required to expand the production of new products, there was growth in demand for capacitors. Operating income ratio fell by 1.3 percentage points to 13.9%. The Q1 figure represents 40% of the forecast for H1.
- Incoming orders grew by 34.5% year-on-year due to strong demand for capacitors and customer preparations for new smartphone model launches. Order backlog increased despite the continued expansion of production capacity and high capacity utilization ratios.

Quarterly Financial Results



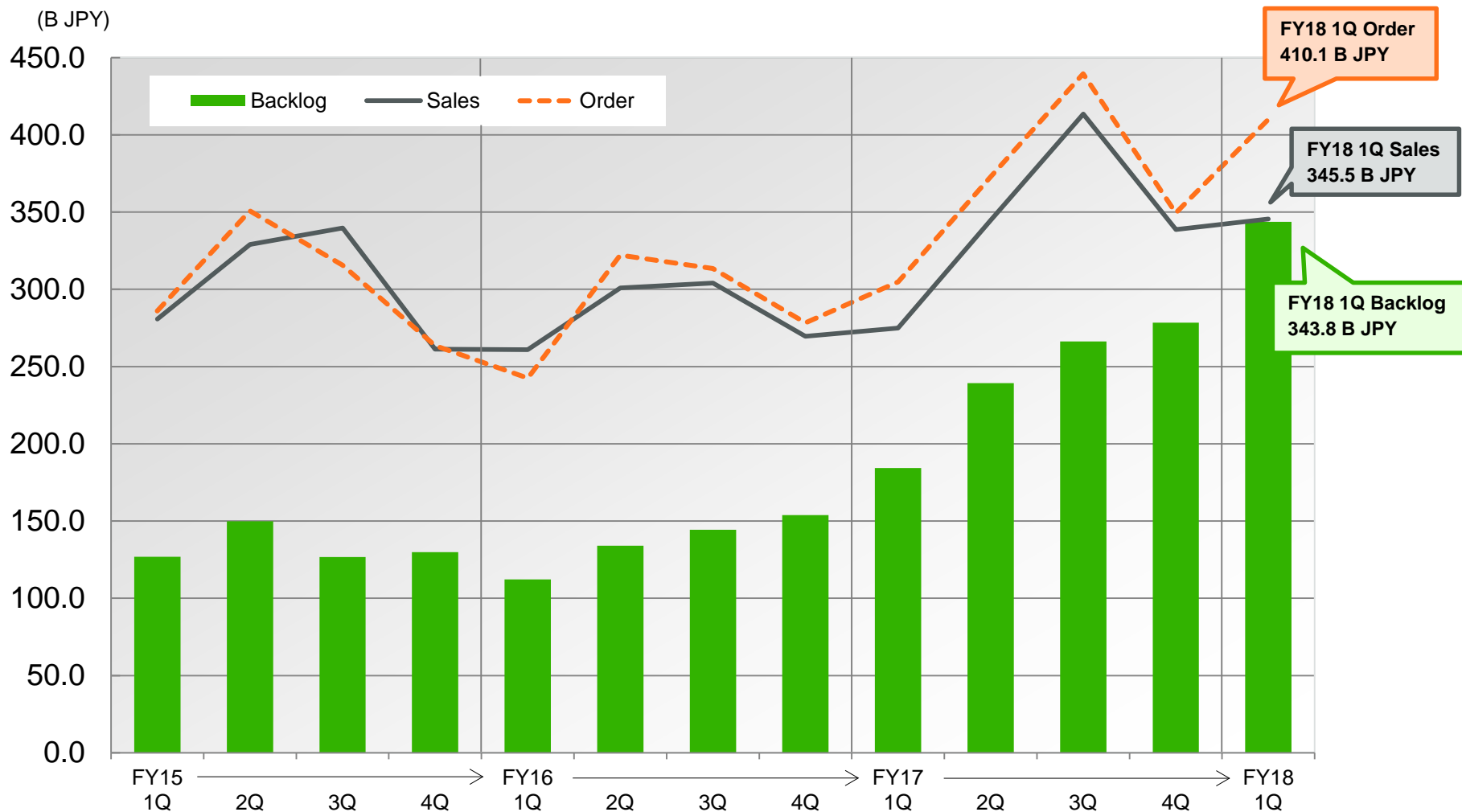
Financial Results Overview

	FY2017 1st Quarter		FY2017 4th Quarter		FY2018 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)	(%)
Net sales	275.0	100.0	338.7	100.0	345.5	100.0	+70.5	+25.7	+6.8	+2.0
Operating income*	41.8	15.2	17.6	5.2	48.2	13.9	+6.4	+15.2	+30.5	+172.8
Income before income taxes	42.4	15.4	15.4	4.6	49.9	14.5	+7.6	+17.8	+34.5	+223.8
Net income attributable to Murata Corporation	33.1	12.1	25.6	7.6	39.0	11.3	+5.8	+17.6	+13.4	+52.3

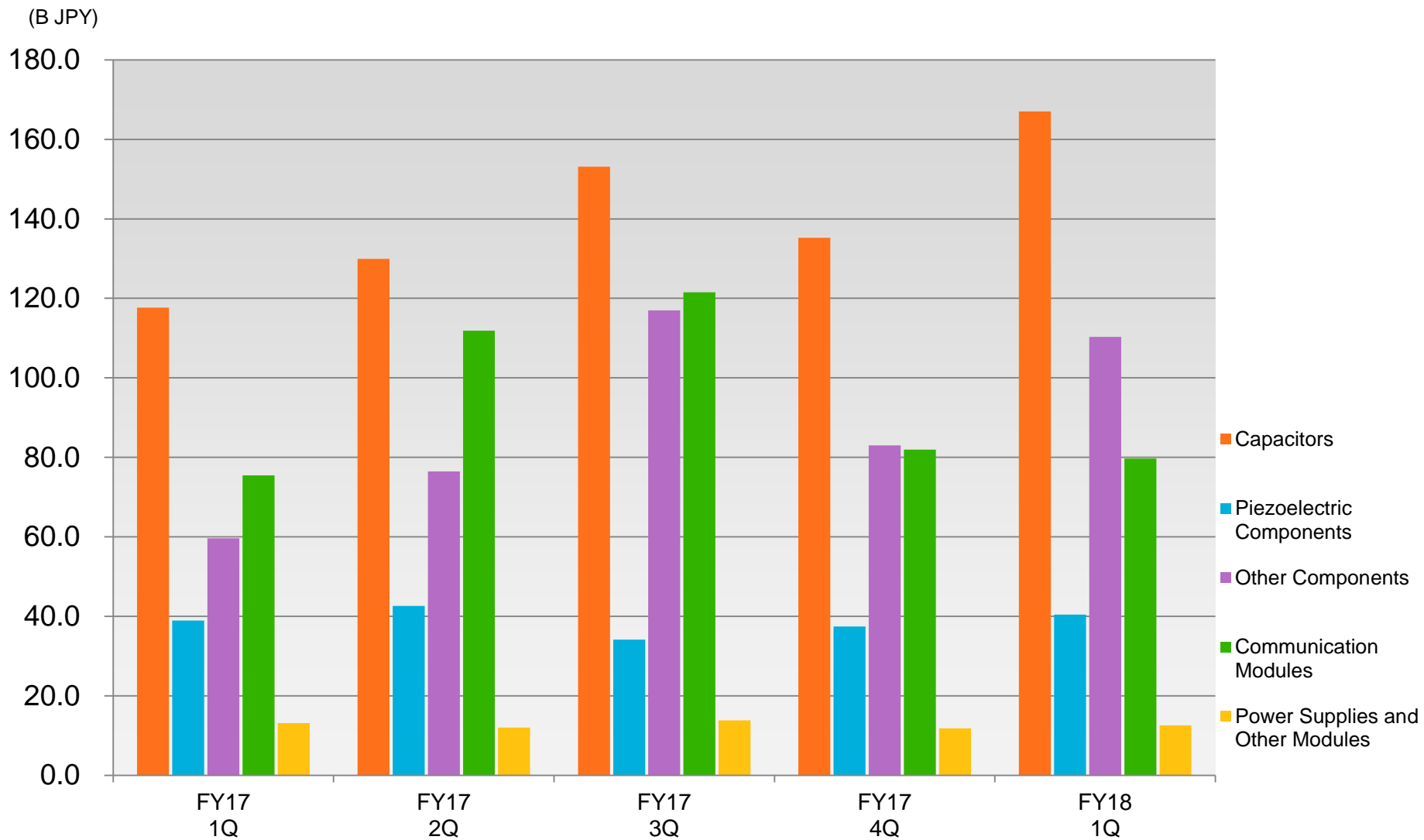
Average exchange rates Yen/US dollar	111.10	108.30	109.07
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*Operating income for FY2017 has been corrected to reflect the change in the accounting standards on retirement benefits.

Quarterly Sales, Order and Backlog



Orders by Product



Sales by Product

	FY2017 1st Quarter		FY2017 4th Quarter		FY2018 1st Quarter		Y on Y Change		Q on Q Change	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
	(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)
Capacitors	96.3	35.1	113.9	33.8	126.5	36.7	+30.2	+31.3	+12.6	+11.1
Piezoelectric Components	37.5	13.7	34.6	10.3	38.1	11.0	+0.5	+1.4	+3.4	+9.9
Other Components	54.6	19.9	89.2	26.4	93.8	27.2	+39.1	+71.6	+4.6	+5.2
Communication Modules	73.7	26.9	87.8	26.0	75.2	21.8	+1.5	+2.0	(12.6)	(14.3)
Power Supplies and Other Modules	12.1	4.4	11.7	3.5	11.3	3.3	(0.8)	(7.0)	(0.5)	(3.9)
Net sales	274.3	100.0	337.2	100.0	344.8	100.0	+70.5	+25.7	+7.6	+2.3

Sales by Product FY18 First Quarter vs. FY17 Fourth Quarter

<p>Capacitors +11.1%</p>	<p>Multilayer Ceramic Capacitors : Products for smartphones were successful due to an increase in the production of Chinese smartphones. Products for car electronics generated increased demand due to further progress in vehicle electrification. Products for personal computers were also successful.</p>
<p>Piezoelectric Components +9.9%</p>	<p>SAW filters : Successful due to an increase in the production of Chinese smartphones.</p>
<p>Other Components +5.2%</p>	<p>Lithium Ion Batteries : Cylindrical products for electric tools were successful.</p> <p>EMI (electro-magnetic interference) suppression filters : Sales increased for car electronics.</p>
<p>Communication Modules (14.3%)</p>	<p>Wireless modules/RF sub modules: Products for smartphones suffered from lower demand due to the reduced production of high-end terminals.</p>
<p>Power Supplies and Other Modules (3.9%)</p>	<p>Power Supplies : Sales for office-automation equipment and amusement decreased.</p>

Sales by Application

	FY2017 1st Quarter		FY2017 4th Quarter		FY2018 1st Quarter		Y on Y Change		Q on Q Change	
	(a)	(%)	(b)	(%)	(c)	(%)	(c) vs. (a)	(%)	(c) vs. (b)	(%)
AV	(B JPY) 13.7	5.0	(B JPY) 16.2	4.8	(B JPY) 17.3	5.0	(B JPY) +3.6	+26.0	(B JPY) +1.1	+6.6
Communication	136.7	49.8	161.9	48.0	157.4	45.6	+20.7	+15.1	(4.5)	(2.8)
Computers and Peripherals	46.4	16.9	51.3	15.2	56.4	16.4	+10.0	+21.6	+5.1	+9.9
Automotive Electronics	44.6	16.3	54.7	16.2	59.6	17.3	+15.0	+33.7	+5.0	+9.1
Home Electronics and Others	32.9	12.0	53.1	15.7	54.1	15.7	+21.2	+64.4	+1.0	+1.9
Net sales	274.3	100.0	337.2	100.0	344.8	100.0	+70.5	+25.7	+7.6	+2.3

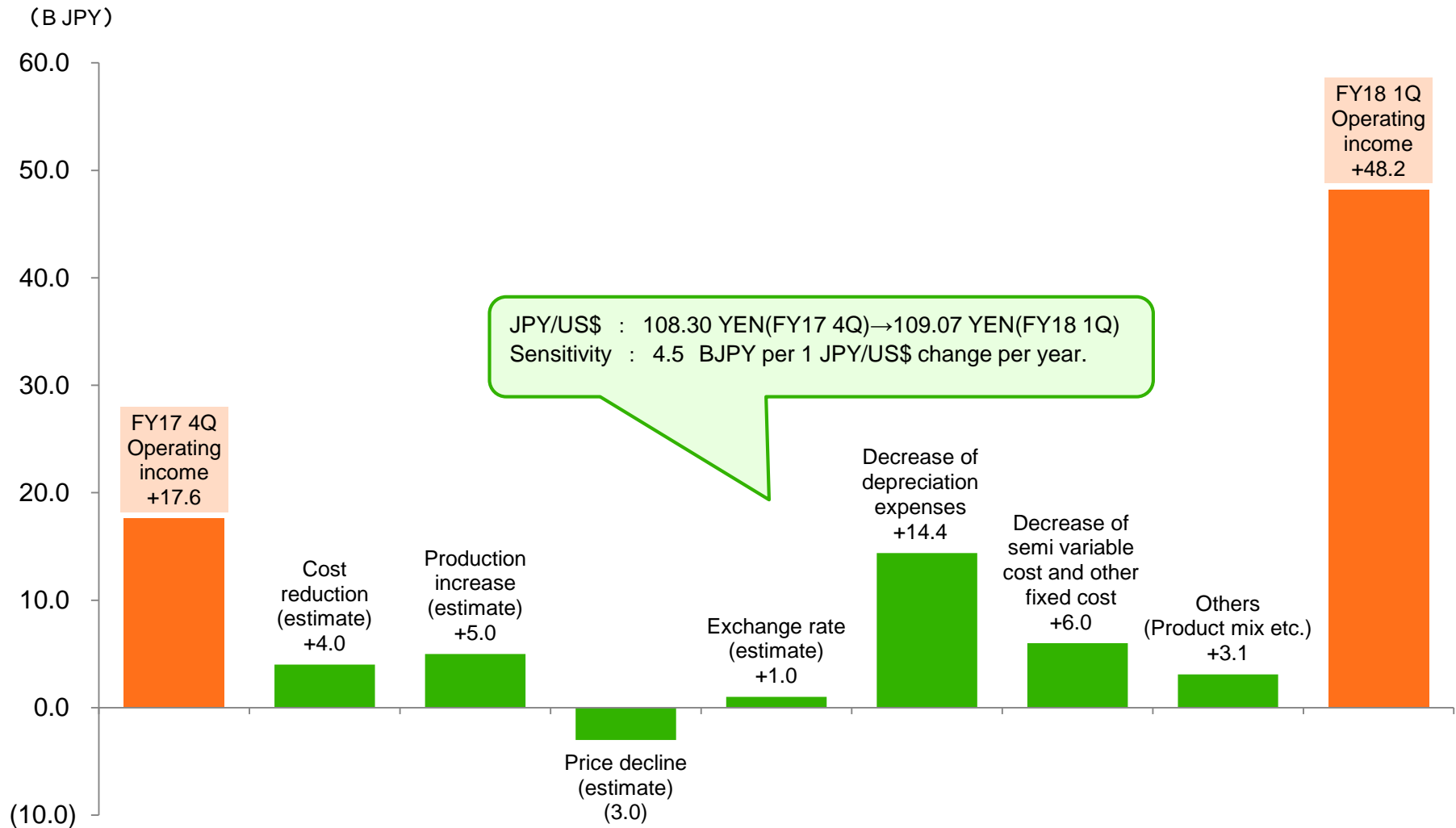
*Based on our estimate

Sales by Application FY18 First Quarter vs. FY17 Fourth Quarter

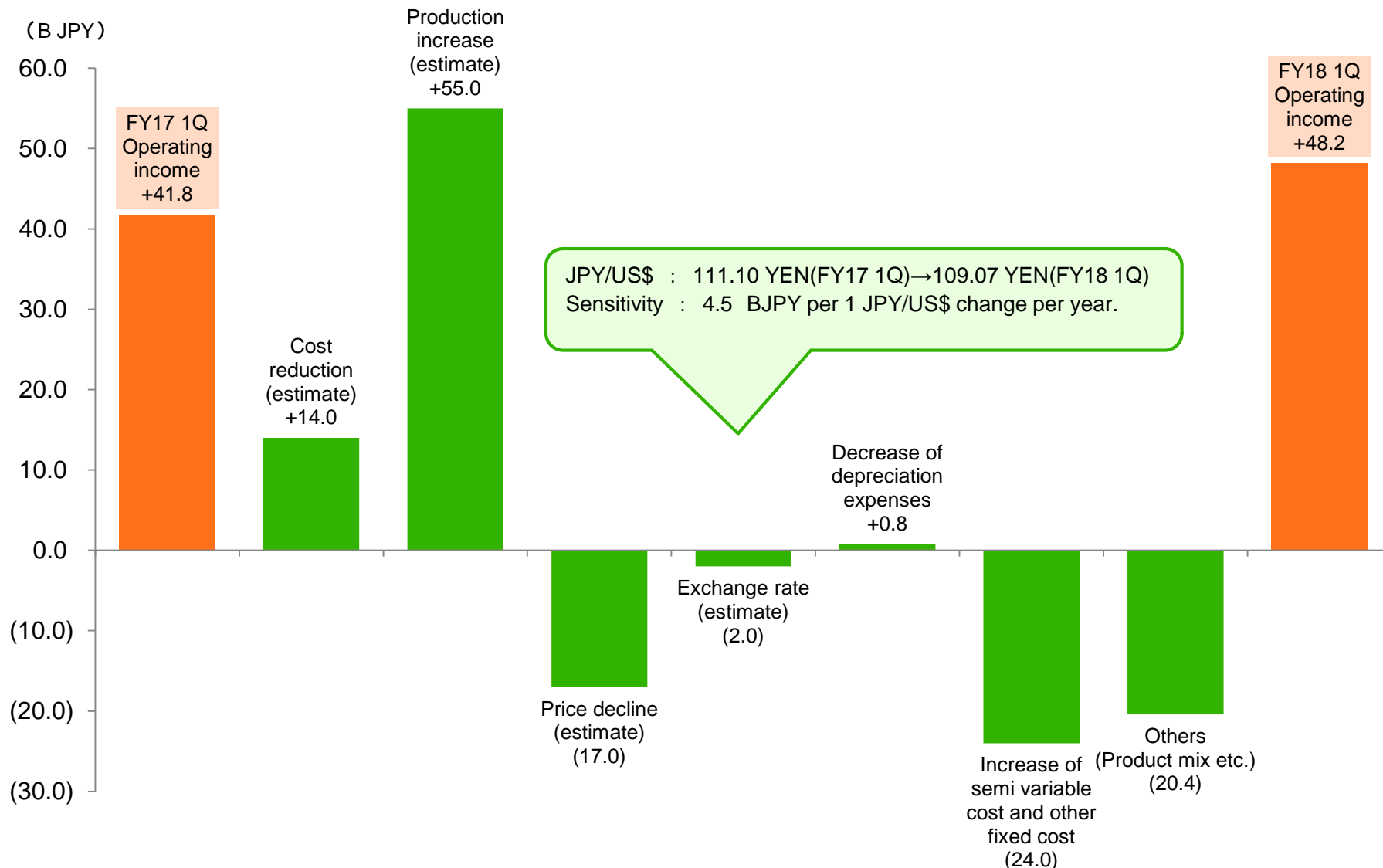
<p>AV +6.6%</p>	<p>Sales of wireless modules for digital cameras increased.</p> <p>Sales of lithium ion batteries for video game consoles increased.</p>
<p>Communication (2.8%)</p>	<p>Products such as short-range wireless communication modules, RF sub modules, and large-capacity capacitors faced a downturn due to the reduced production of products for high-end smartphones.</p> <p>Products such as SAW filters and large-capacity capacitors were successful due to an increase in the production of Chinese smartphones.</p>
<p>Computers and Peripherals +9.9%</p>	<p>High-capacitance MLCCs and lithium ion batteries increased for PCs</p> <p>Sales of MLCCs for server increased.</p>
<p>Automotive Electronics +9.1%</p>	<p>Sales of MLCCs for automotive increased thanks to advanced automotive electrification.</p> <p>EMI suppression filters for powertrains were successful.</p>

*Based on our estimate

Breakdown of Operating Income Changes FY17 Fourth Quarter to FY18 First Quarter



Breakdown of Operating Income Changes FY17 First Quarter to FY18 First Quarter



2. Projected Financial Results for FY2018

(From April 2018 to March 2019)

Projected Financial Results for FY2018

	FY2017 Actual		FY2018 Projections				Change	
			1st Half	2nd Half				
	(B JPY)	(%)	(B JPY)	(B JPY)	(B JPY)	(%)	(B JPY)	(%)
Net sales	1371.8	100.0	753.0	822.0	1575.0	100.0	+203.2	+14.8
Operating income	163.3	11.9	119.0	121.0	240.0	15.2	+76.7	+47.0
Income before income taxes	167.8	12.2	120.0	122.0	242.0	15.4	+74.2	+44.2
Net income attributable to Murata Corporation	146.1	10.6	89.0	91.0	180.0	11.4	+33.9	+23.2

Average exchange rates yen/US dollar	110.86		105.00	
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- The Company did not revise the projected results for the year ending March 31, 2019, which were announced on April 27, 2018.

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

