Earnings Release Conference
Second Quarter of FY2021
(July 1, 2021 to September 30, 2021)

October 29, 2021

Murata Manufacturing Co., Ltd.

Topics

- Net sales for the period under review increased by 6.6% from the previous quarter due mainly to seasonal factors of smartphones which contributed to sales increases in modules and capacitors. The figure stood at a level forecasted previously as customers continued securing inventory levels, despite a decrease in production unit volume affected by a shortage of semiconductors and other materials.

- Net sales for the first half of the fiscal year showed a huge increase by 20.8% year on year thanks to the significant growth of demand for car electronics, computers and related devices.

Topics

- Despite an increase in production-related costs along with increased output, operating income for the first half of the fiscal year increased by 68.9% year on year, with an operating income ratio up 7.0 points to 24.5% year on year, contributed by positive factors including profits generated by improved operation capacity and cost reduction.

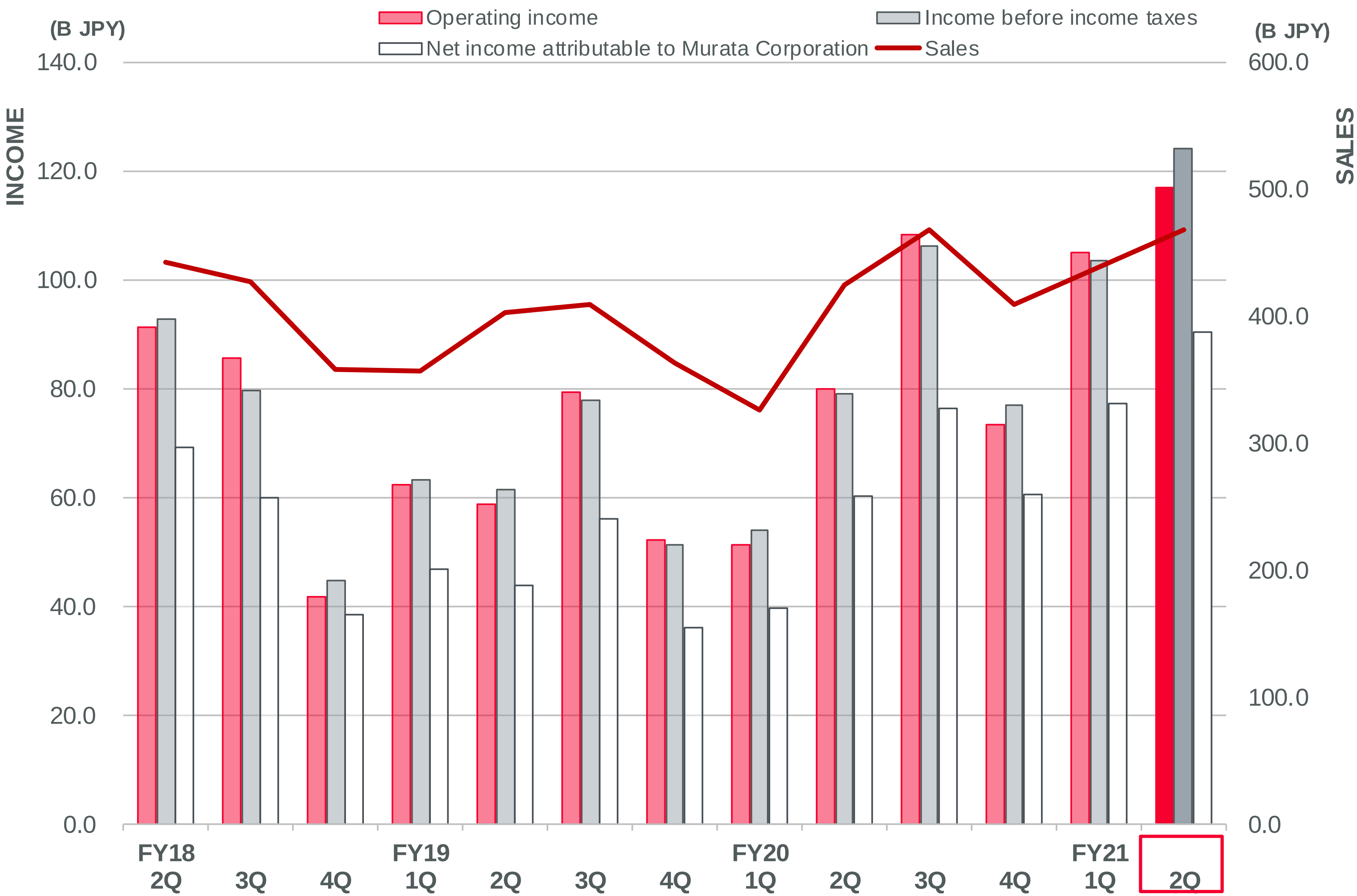
- The Companies have not revised their projected results for the year ending March 31, 2022, which were announced on July 29, 2021.

Second Quarter of FY2021

From July 1, 2021 to September 30, 2021
Consolidated Basis

muRata
INNOVATOR IN ELECTRONICS

Quarterly Financial Results



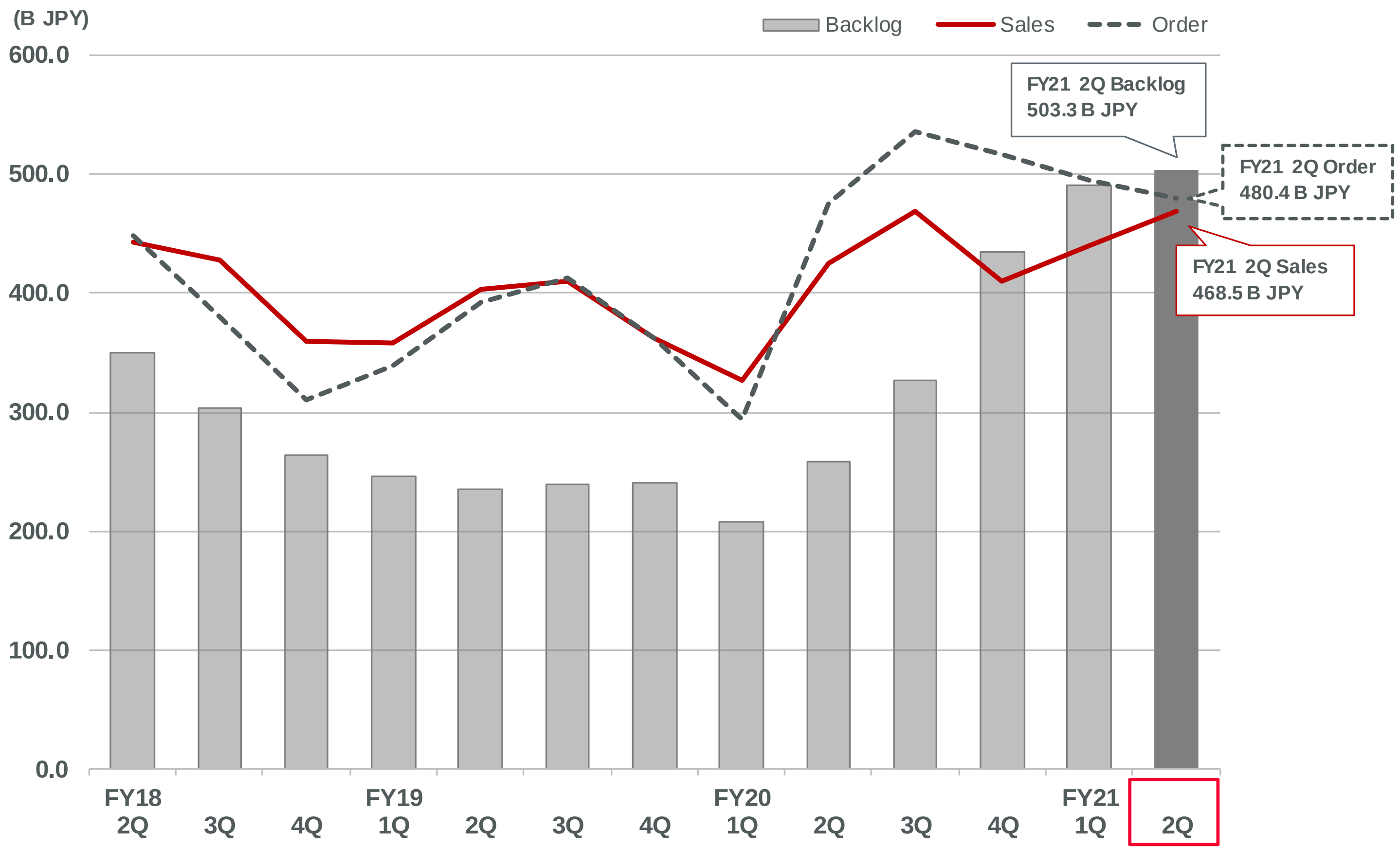
Financial Results Overview

	FY2020 1st Half (B JPY)	FY2020 1st Half (%)	FY2021 1st Quarter (B JPY)	FY2021 1st Quarter (%)	FY2021 2nd Quarter (B JPY)	FY2021 2nd Quarter (%)	FY2021 1st Half (B JPY)	FY2021 1st Half (%)	Q on Q Change (B JPY)	Q on Q Change (%)	Y on Y Change (B JPY)	Y on Y Change (%)
Net sales	752.0	100.0	439.6	100.0	468.5	100.0	908.1	100.0	+29.0	+6.6	+156.1	+20.8
Operating income	131.5	17.5	105.1	23.9	117.0	25.0	222.1	24.5	+12.0	+11.4	+90.6	+68.9
Income before income taxes	133.2	17.7	103.7	23.6	124.1	26.5	227.9	25.1	+20.4	+19.7	+94.7	+71.1
Net income attributable to Murata Corporation	99.9	13.3	77.2	17.6	90.6	19.3	167.8	18.5	+13.4	+17.3	+67.9	+68.0
Average exchange rates yen/US dollar	106.92		109.49		110.11		109.80					

- Net sales of capacitors and multilayer resin substrates for smartphones increased from the previous quarter. As a whole, sales were also contributed by an increase in batteries for power tools and an increase in capacitors for PCs.
- Operating income increased from the previous quarter thanks to profits generated by improved operation capacity and cost reduction as a result of increased output. On an year-on-year basis, a massive increase was achieved mainly by improved operation and cost reduction, despite increased fixed costs including production-related costs along with increased output, as well as a decline in product prices.
- Each profit marked a record high as a half and quarterly result.

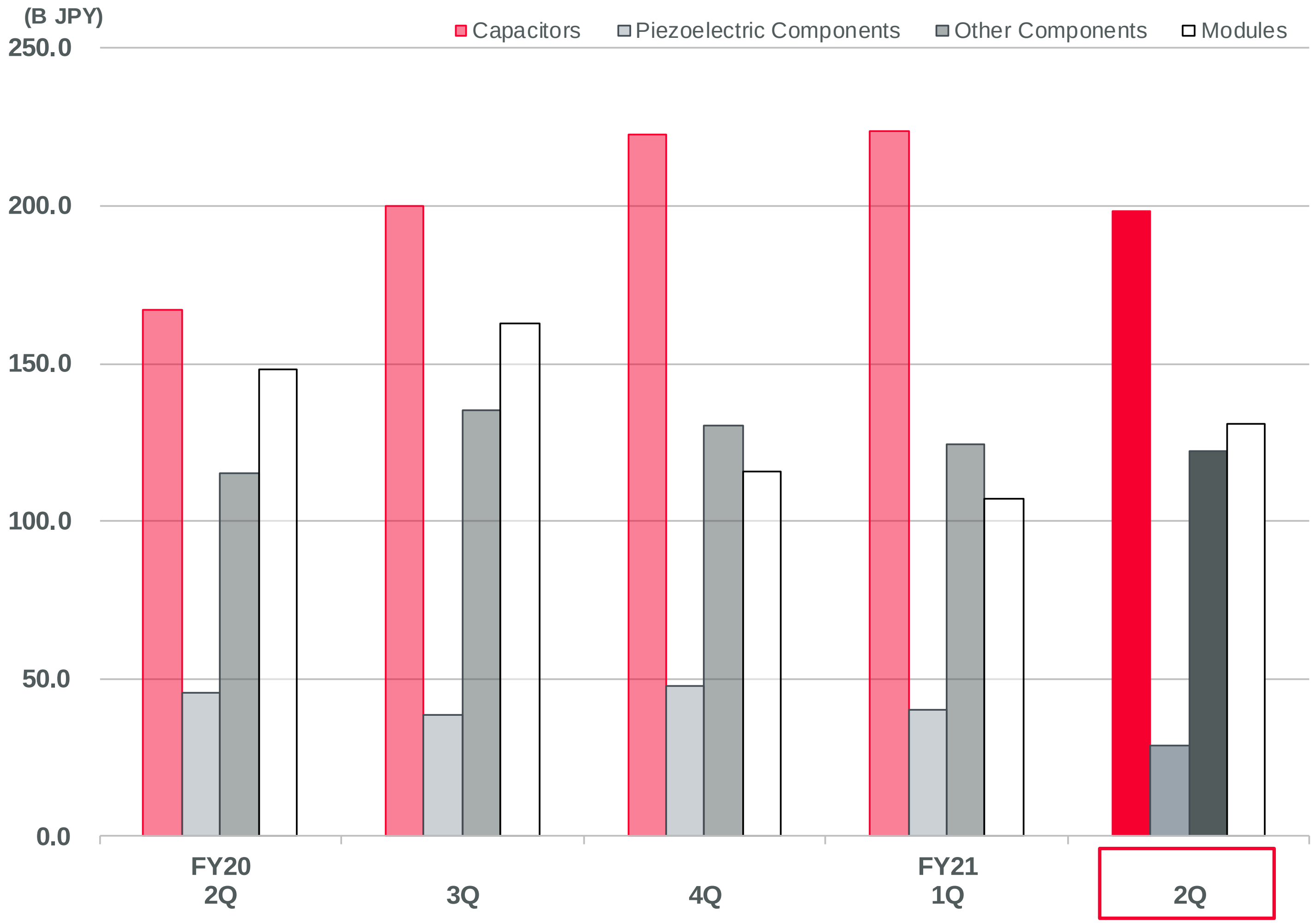
Quarterly Sales, Order and Backlog

Orders received remained at a high level, with record-high backlogs.
Orders received from the automobile and PC-related sectors have decreased as orders to secure inventory is decreasing after customers' inventory reached sufficient levels, with a book-to-bill ratio for the three months ended September 30, 2021 falling to 1.
The book-to-bill ratio for September alone fell below 1, indicating a downward trend in orders received. Backlogs may be reduced in the second half of the fiscal year.



Orders by Product

Orders received for capacitors decreased across a wide range of applications, while orders received for modules were up due to seasonal factors of smartphones, compared with the previous quarter (first quarter) respectively.



Sales by Product

	FY2020 1st Half (B JPY)	(%)	FY2021 1Q (B JPY)	FY2021 2Q (B JPY)	FY2021 1st Half (B JPY)	(%)	Q on Q Change (B JPY)	(%)	Y on Y Change (B JPY)	(%)
Capacitors	290.6	38.7	189.3	202.4	391.7	43.2	+13.2	+7.0	+101.1	+34.8
Piezoelectric Components	60.7	8.1	38.8	37.6	76.3	8.4	(1.2)	(3.1)	+15.6	+25.7
Other Components	178.7	23.8	110.9	121.0	231.9	25.6	+10.0	+9.0	+53.2	+29.8
Modules	220.7	29.4	99.9	106.9	206.7	22.8	+7.0	+7.0	(14.0)	(6.3)
Net sales	750.7	100.0	438.8	467.8	906.6	100.0	+29.0	+6.6	+155.9	+20.8

Sales by Product [FY21 1st Half vs. FY20 1st Half]

Capacitors +34.8%	***Multilayer Ceramic Capacitors(MLCCs)*** **:** ・Sales increased significantly for automotive electronics as customers continued securing inventory levels. ・Sales increased for PCs and smartphones.
Piezoelectric Components +25.7%	***SAW Filters*** **:** Sales increased for smartphones and IoT devices.
Other Components +29.8%	***Inductors*** **:** Sales increased significantly for smartphones and PCs. ***Lithium Ion Batteries*** **:** Sales increased significantly for power tools.
Modules (6.3%)	***Connectivity modules*** **:** Sales decreased for smartphones due to product portfolio review. ***RF modules*** **:** Sales decreased for smartphones.

Sales by Product [FY21 2nd Quarter vs. FY21 1st Quarter]

Capacitors +7.0%	***MLCCs*:** Sales increased for smartphones and PCs. Sales remained at a high level for automotive electronics as customers continued securing inventory levels.
Piezoelectric Components (3.1%)	***SAW Filters* :** Sales decreased for smartphones.
Other Components +9.0%	***Lithium Ion Batteries* :** Sales increased for power tools and video game consoles. ***Inductors ／Connectors* :** Sales increased for smartphones.
Modules +7.0%	***Multilayer resin substrates* :** Sales increased for smartphones. ***RF modules* :** Sales decreased for smartphones.

Sales by Application

	FY2020 1st Half (B JPY)	FY2020 1st Half (%)	FY2021 1Q (B JPY)	FY2021 2Q (B JPY)	FY2021 1st Half (B JPY)	FY2021 1st Half (%)	Q on Q Change (B JPY)	Q on Q Change (%)	Y on Y Change (B JPY)	Y on Y Change (%)
AV	36.1	4.8	19.0	20.6	39.6	4.4	+1.7	+8.8	+3.5	+9.6
Communication	381.3	50.8	185.7	207.1	392.7	43.3	+21.4	+11.5	+11.4	+3.0
Computers and Peripherals	139.3	18.5	89.7	93.1	182.8	20.1	+3.4	+3.8	+43.5	+31.2
Automotive Electronics	109.3	14.6	82.7	82.1	164.8	18.2	(0.6)	(0.8)	+55.6	+50.9
Home Electronics and Others	84.7	11.3	61.8	64.9	126.7	14.0	+3.1	+5.0	+41.9	+49.5
Net sales	750.7	100.0	438.8	467.8	906.6	100.0	+29.0	+6.6	+155.9	+20.8

*Based on our estimate

Sales by Application [FY21 1st Half vs. FY20 1st Half]

AV +9.6%	Sales of capacitors expanded for video game consoles on the strength of growing demand from people staying at home.
Communication +3.0%	Sales of capacitors and SAW Filters for smartphones increased. Decreased sales of capacitors for base stations.
Computers and Peripherals +31.2%	Sales of MLCCs and inductors increased significantly due to higher demand for PCs resulting from teleworking and online education.
Automotive Electronics +50.9%	Sales increased significantly for capacitors as customers continued securing inventory levels. Sales of electromagnetic interference suppression filters and Inductors for smartphones increased.

*Based on our estimate

Sales by Application [FY21 2nd Quarter vs. FY21 1st Quarter]

AV +8.8%	Sales of lithium ion secondary batteries and capacitors expanded for video game consoles on the strength of growing demand from people staying at home.
Communication +11.5%	Sales of multilayer resin substrates and capacitors, connectivity modules for smartphones increased. Decreased sales of RF modules for smartphones.
Computers and Peripherals +3.8%	Sales of capacitors increased for PCs and servers.
Automotive Electronics (0.8%)	Sales remained at a high level for capacitors as customers continued to increase inventory of components.

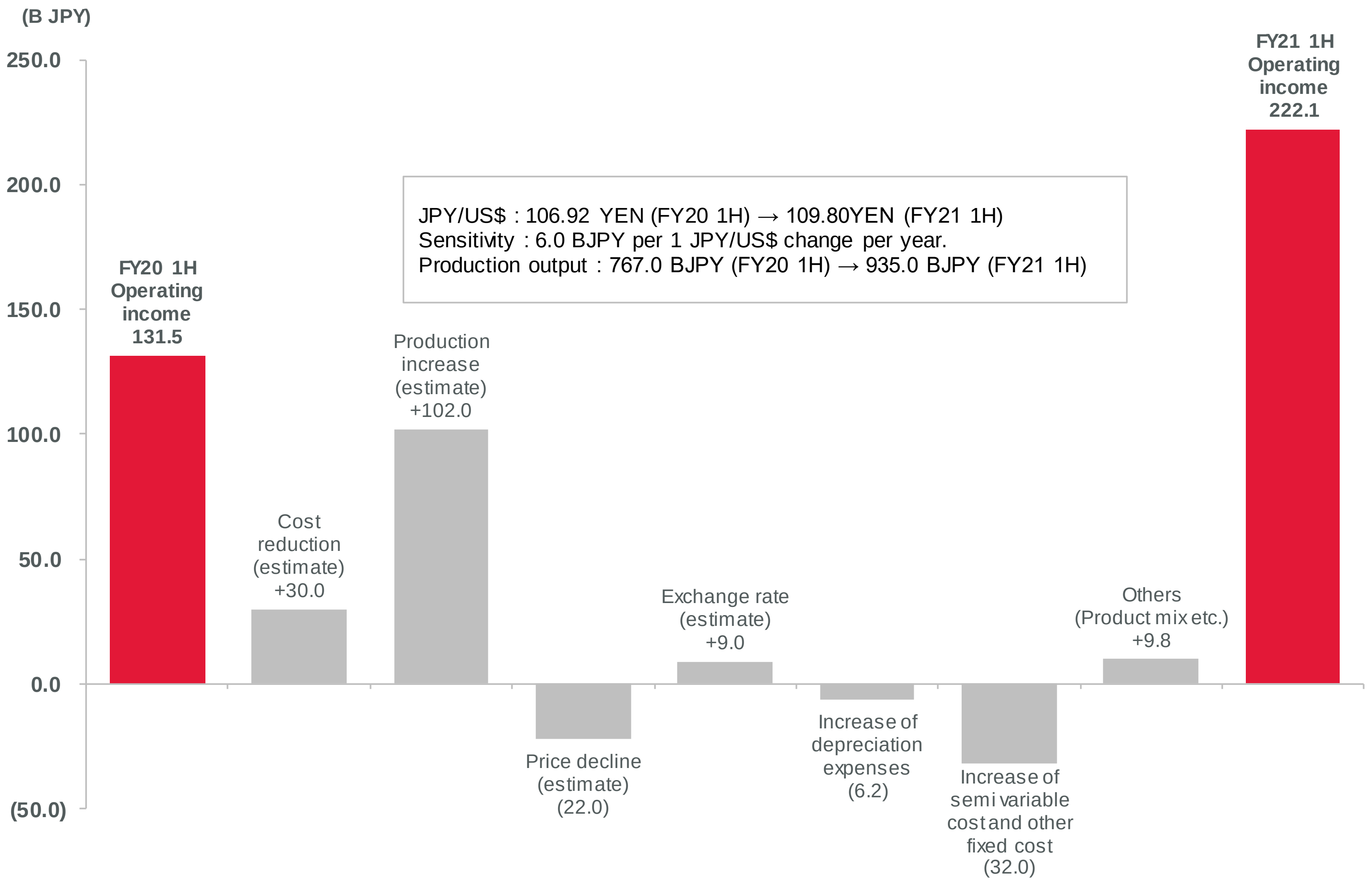
*Based on our estimate

Segment Information

		FY2020 1st Half (B JPY)	(%)	FY2021 1st Half (B JPY)	(%)	Y on Y Change (B JPY)	(%)
Components	Total Revenues	546.4	100.0	716.2	100.0	+169.8	+31.1
	Segment income	138.1	25.3	233.7	32.6	+95.6	+69.2
Modules	Total Revenues	220.7	100.0	206.7	100.0	(14.0)	(6.3)
	Segment income	21.7	9.8	19.5	9.4	(2.2)	(10.3)
Others	Total Revenues	31.2	100.0	31.0	100.0	(0.2)	(0.6)
	Segment income	3.9	12.6	4.0	12.8	+0.1	+1.3
Corporate and eliminations	Total Revenues	(46.3)	-	(45.9)	-	+0.5	-
	Corporate expenses	(32.2)	-	(35.1)	-	(2.8)	-
Consolidated	Total Revenues	752.0	100.0	908.1	100.0	+156.1	+20.8
	Operating income	131.5	17.5	222.1	24.5	+90.6	+68.9

- **Components** Sales and profit increased thanks to increased sales of capacitors and inductors.
- **Modules** Sales and profit decreased as sales decreased for connectivity modules due to the revision of product portfolio, and sales decreased in RF modules.

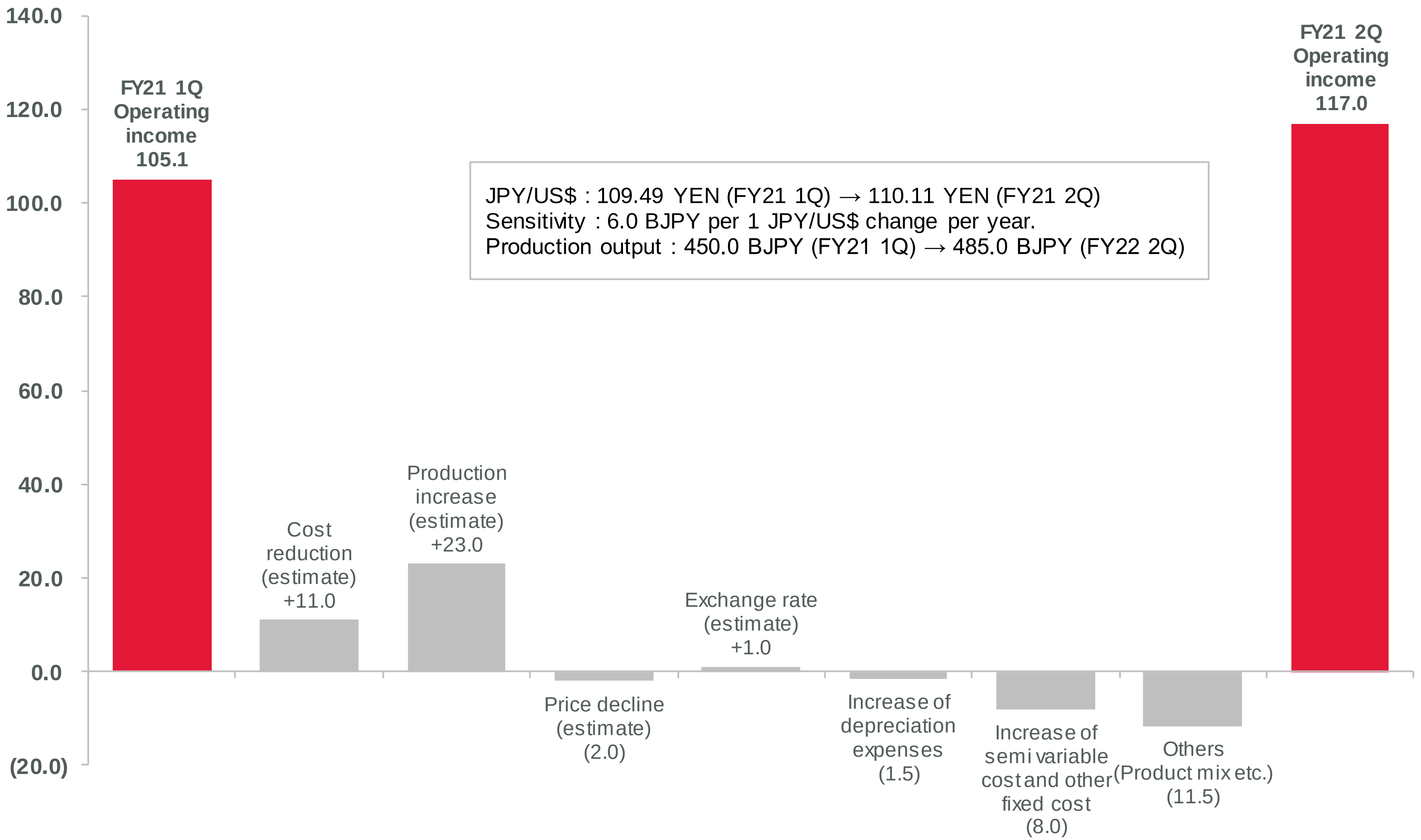
Breakdown of Operating Income Changes
[FY20 1st Half to FY21 1st Half]



*"Production increase" is calculated on the basis of production output excluding the effect of sales price reductions and exchange rate fluctuations.

*Changes in semi-variable costs and fixed costs include the impact of temporary expenses, such as impairment loss.

Breakdown of Operating Income Changes
[FY21 1st Quarter to FY21 2nd Quarter]



JPY/US$: 109.49 YEN (FY21 1Q) → 110.11 YEN (FY21 2Q)
Sensitivity : 6.0 BJPY per 1 JPY/US$ change per year.
Production output : 450.0 BJPY (FY21 1Q) → 485.0 BJPY (FY22 2Q)

*"Production increase" is calculated on the basis of production output excluding the effect of sales price reductions and exchange rate fluctuations.

*Changes in semi-variable costs and fixed costs include the impact of temporary expenses, such as impairment loss.

Cash Flows

	FY2020 1st Half (B JPY)	FY2021 1st Half (B JPY)	Y on Y Change (B JPY)
Operating activities	114.0	207.9	+93.9
Investing activities	(86.6)	(80.2)	+6.3
Financing activities	(11.1)	(39.0)	(27.9)
Effect of exchange rate changes	(1.7)	(0.1)	+1.6
Cash and cash equivalents	316.9	496.3	+179.4
Free Cash Flows	27.4	127.7	+100.3
Capital expenditures	(91.9)	(80.0)	+11.9
Depreciation and amortization	69.8	76.0	+6.2

- Operating cash flow increased thanks to a substantial increase in profits compared with the same period of the previous year.
- The cash consideration for the acquisition of Eta Wireless, Inc. was reported as a cash flow from investing activities.

Projected Financial Results for FY2021

(From April 2021 to March 2022)

muRata
INNOVATOR IN ELECTRONICS

Projected Financial Results for FY2021

	FY2020 Actual (B JPY)	FY2020 Actual (%)	FY2021 Projections (B JPY)	FY2021 Projections (%)	Change (B JPY)	Change (%)
Net sales	1,630.2	100.0	1,730.0	100.0	+99.8	+6.1
Operating income	313.2	19.2	365.0	21.1	+51.8	+16.5
Income before income taxes	316.4	19.4	367.0	21.2	+50.6	+16.0
Net income attributable to Murata Corporation	237.1	14.5	271.0	15.7	+33.9	+14.3
ROIC (pre-tax basis) (%)	18.5		20.4			
Average exchange rates yen/US dollar	106.06		109.13			

***The Company did not revise the projected results for the year ending March 31, 2022, which were announced on July 29, 2021.**

Topix

Topix

Acquisition of Eta Wireless, Inc.

Outline

- Acquisition date: September 2021
- Consideration for acquisition: 150 million USD
  Eta Wireless, Inc.
  - The developer of ET Tracker (unique Power Management IC) and Digital Envelope Tracking (ET) Technology realized through DPD algorithm.
  - Eta Wireless's Digital ET Technology optimizes the voltages within the RF circuits which performs data transmission and reception of a communication terminal, thereby reducing the power consumption.

Effect of acquisition

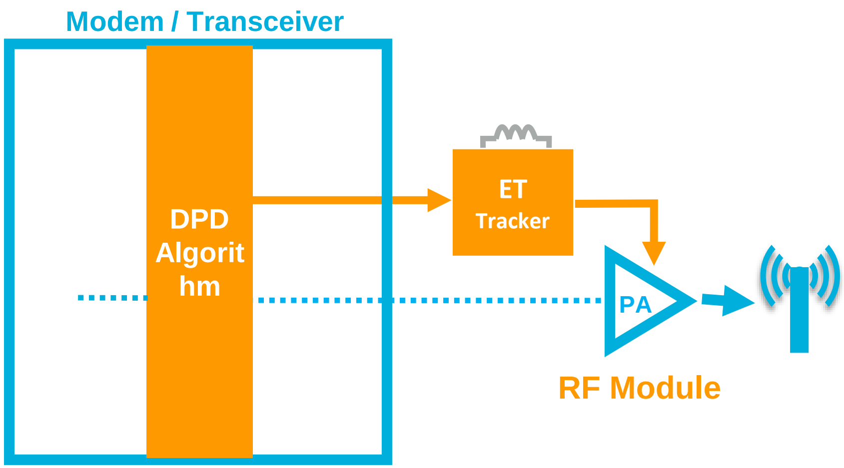
- Design, production and sales of RF modules suitable for Digital ET
- Acquisition of the technologies of ET Tracker and the DPD Algorithm and related businesses

Acquisition of differentiated technologies in the module business and establishment of competitive advantages

Topix

Acquisition of Eta Wireless, Inc.

Digital ET Solution

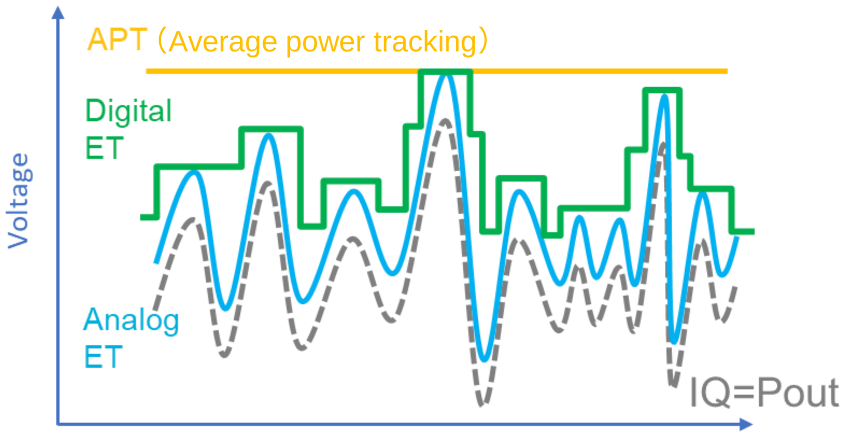


DPD (Digital Pre Distortion) algorithm
Minimizes distortion and noise in the RF circuit, and enables the RF-IC and BB IC to control ET Tracker

ET Tracker
Optimizes the voltage applied to the RF circuit (mainly PA)

RF Module
Optimizes the voltage for the Digital ET
〈purposes〉
Minimizes noise and power consumption

Comparison with conventional technologies



Up to 4G coverage: narrow band communication
Analog ET reduces power consumption

5G and 6G coverage: broad band communication
Analog ET has difficulties in reducing the power consumption

5G and 6G coverage: Reduces the power consumption through the Digital ET

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.

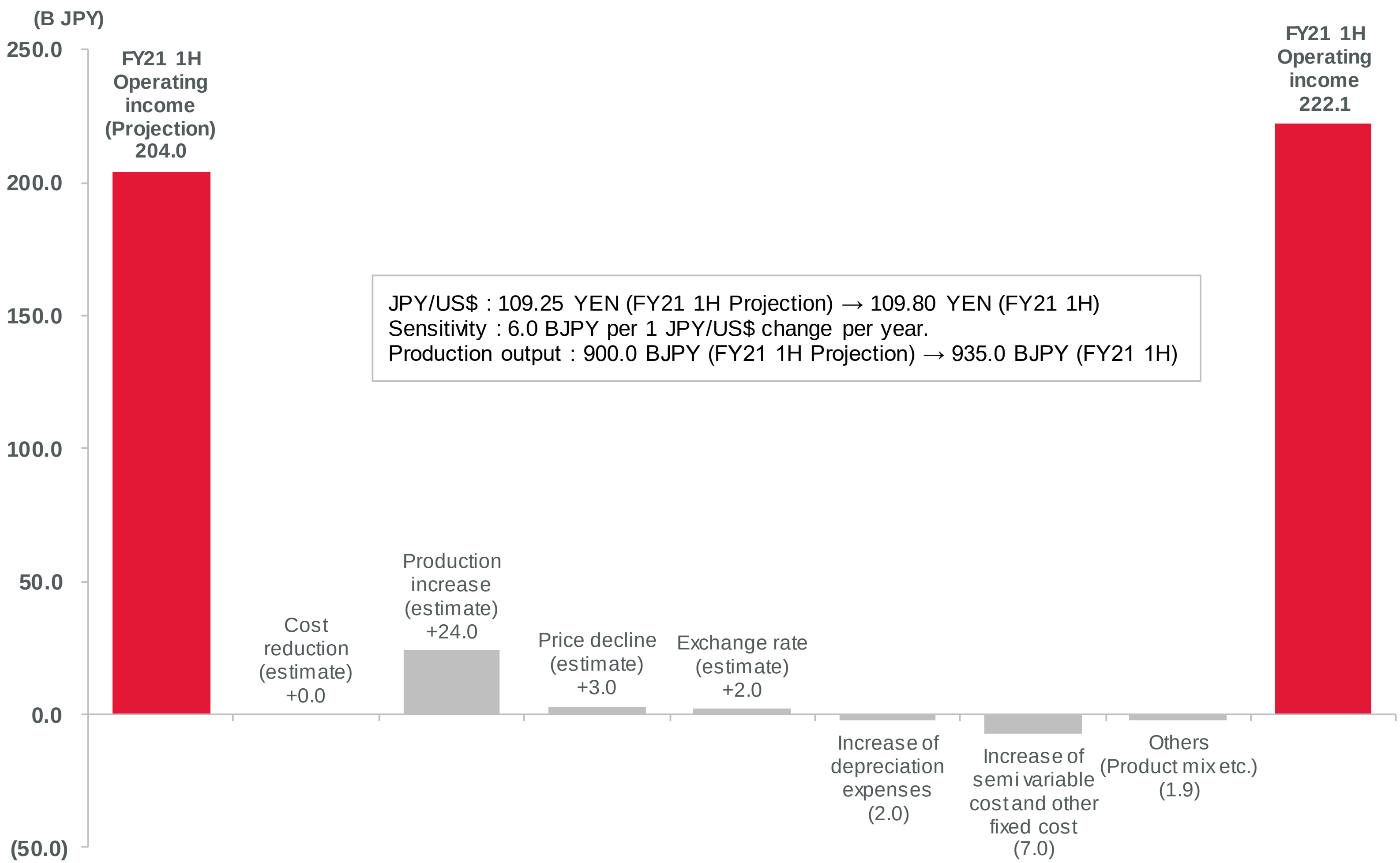
Risks and uncertainties that may affect actual results include, but are not limited to, the following: (1) economic conditions of the Company's business environment, and trends, supply-demand balance, and price fluctuations in the markets for electronic devices and components; (2) price fluctuations 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

Appendixes

Breakdown of Operating Income Changes
[FY21 1st Half Projection(July 2021) to FY21 1st Half]



*"Production increase" is calculated on the basis of production output excluding the effect of sales price reductions and exchange rate fluctuations.

*Changes in semi-variable costs and fixed costs include the impact of temporary expenses, such as impairment loss.

Dividends per Share

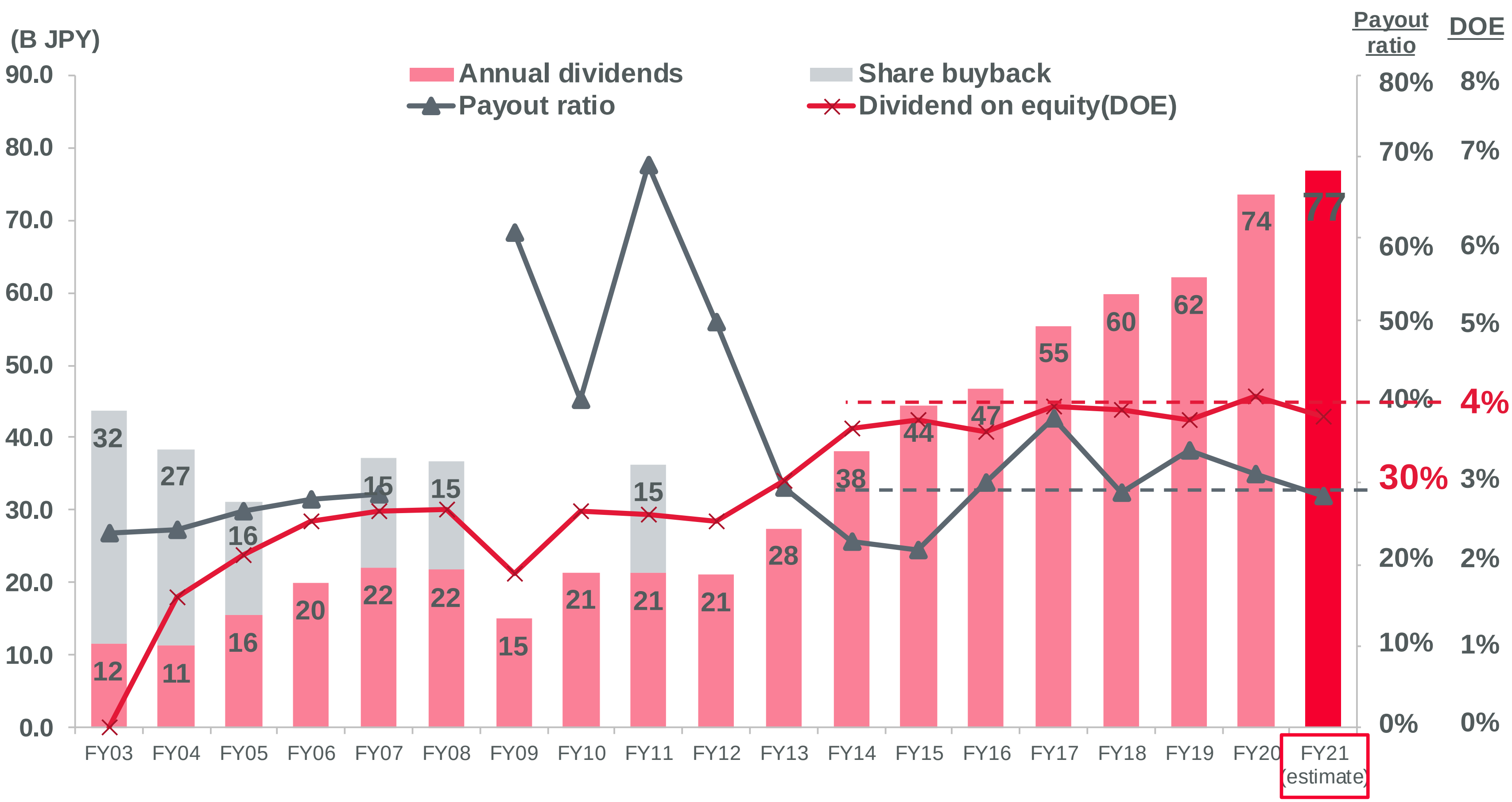
- FY2021 projected annual dividends per share
  120 JPY per share
  (Interim: 60 JPY per share, Year-end: 60 JPY per share)
  *5 yen increase of annual dividend per share

- FY2020 annual dividends per share
  115 JPY per share
  (Interim: 55 JPY per share, Year-end: 60 JPY per share)
  *The year-end dividend has been increased by 5 yen per share from the previous forecast.

Note: The above projections are based on our view of the current business environment and our projections for FY2021.

Return to Shareholders

- **Dividend** As a stable increase in dividends is our basic policy, we aim to achieve DOE (Dividend on equity ratio) of 4% or higher over the medium term with reference to dividend payout ratio of approximately 30%.
- **Share buyback** As a means of returning profits to shareholders, we implement share buybacks in a timely manner to improve capital efficiency.



Financial Data (1/3)

muRata INNOVATOR IN ELECTRONICS

(B JPY)

	FY2018			FY2019				FY2020				FY2021	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Sales	442.9	427.6	359.0	357.6	403.4	410.2	362.9	326.8	425.2	468.6	409.5	439.6	468.5
Operating income	91.3	85.6	41.7	62.6	58.8	79.5	52.4	51.3	80.2	108.4	73.3	105.1	117.0
Income before income taxes	92.8	79.7	44.9	63.2	61.6	78.0	51.3	53.9	79.2	106.3	76.9	103.7	124.1
Net income attributable to Murata Corporation	69.3	60.1	38.5	46.8	43.9	56.1	36.2	39.6	60.3	76.5	60.7	77.2	90.6
Capital expenditures	78.8	72.7	62.4	52.9	62.0	81.4	85.4	40.2	43.8	48.9	63.9	42.6	32.1
Depreciation and amortization	30.5	32.3	34.7	33.6	34.6	35.7	36.4	34.0	35.9	35.7	37.5	37.3	38.7
R & D expenses	24.3	25.1	26.2	26.1	25.3	24.7	26.4	24.8	26.2	24.4	26.3	27.0	27.2
Average exchange rates (yen)	111.46	112.90	110.21	109.90	107.35	108.76	108.97	107.62	106.22	104.51	105.90	109.49	110.11

Financial Data (2/3)

(B JPY)

		FY2018			FY2019				FY2020				FY2021	
		2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Sales by Product	Capacitors	147.2	158.3	142.3	137.7	137.8	145.7	138.2	134.5	156.1	167.3	168.7	189.3	202.4
	Piezoelectric Components	38.5	32.1	30.0	31.4	31.9	33.6	32.3	26.4	34.4	32.0	36.6	38.8	37.6
	Other Components	108.3	99.2	90.9	92.4	98.6	92.8	79.2	77.4	101.3	107.0	102.0	110.9	121.0
	Components	293.9	289.6	263.2	261.5	268.3	272.2	249.8	238.2	291.8	306.2	307.2	339.0	360.9
	Modules	148.2	137.1	95.0	95.2	134.3	137.0	112.1	87.9	132.8	161.8	101.6	99.9	106.9
	Net sales	442.1	426.6	358.2	356.7	402.5	409.2	361.9	326.2	424.5	468.0	408.9	438.8	467.8
Sales by Application	AV	19.7	17.5	15.0	16.9	17.7	14.8	11.6	15.4	20.7	18.4	17.3	19.0	20.6
	Communication	235.5	213.3	154.6	163.9	212.1	226.1	190.0	159.2	222.1	247.7	175.9	185.7	207.1
	Computers and Peripherals	65.3	68.0	59.5	58.6	60.6	58.1	53.2	68.0	71.3	74.5	77.7	89.7	93.1
	Automotive Electronics	63.0	66.0	68.5	66.8	66.1	66.2	64.4	42.8	66.4	80.0	83.9	82.7	82.1
	Home Electronics and Others	58.6	61.9	60.6	50.6	46.0	43.9	42.6	40.7	44.0	47.3	54.0	61.8	64.9
	Net sales	442.1	426.6	358.2	356.7	402.5	409.2	361.9	326.2	424.5	468.0	408.9	438.8	467.8
Sales by Product	The Americas	76.3	75.1	45.6	47.2	57.9	45.8	38.7	28.6	48.7	55.2	38.0	45.6	58.6
	Europe	32.2	33.2	41.5	36.1	31.7	30.4	33.8	21.2	31.8	35.0	38.3	40.4	40.3
	Greater China	231.5	216.1	165.7	172.7	208.1	237.2	192.1	198.8	244.1	276.4	231.8	245.0	256.9
	Asia and Others	66.4	64.2	68.4	63.0	69.6	60.8	64.6	48.7	67.7	62.8	62.9	68.4	69.4
	Overseas total	406.4	388.6	321.2	319.0	367.3	374.3	329.3	297.2	392.3	429.5	371.0	399.4	425.2
	Japan	35.7	38.0	36.9	37.8	35.3	34.9	32.6	28.9	32.2	38.5	37.8	39.4	42.6
	Net sales	442.1	426.6	358.2	356.7	402.5	409.2	361.9	326.2	424.5	468.0	408.9	438.8	467.8

Financial Data (3/3)

(B JPY)

		FY2018			FY2019				FY2020				FY2021	
		2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Components	Total revenue	305.6	298.2	267.6	271.7	278.8	285.2	262.5	245.6	300.8	315.0	314.0	346.1	370.1
	Segment income	87.5	84.9	77.2	67.5	50.1	68.9	63.1	58.9	79.2	91.4	83.5	112.0	121.7
Modules	Total revenue	148.2	137.1	95.0	95.2	134.3	137.0	112.1	87.9	132.8	161.8	101.6	99.9	106.9
	Segment income	16.9	14.0	(15.9)	7.9	17.9	21.9	1.7	6.9	14.8	32.9	(0.4)	8.5	11.0
Others	Total revenue	33.6	20.8	23.6	16.9	15.4	14.0	12.9	14.4	16.8	15.1	14.7	15.6	15.5
	Segment income	3.4	2.2	2.1	1.5	1.6	1.2	1.5	1.9	2.0	1.9	1.9	2.0	2.0
Corporate and eliminations	Total revenue	(44.5)	(28.5)	(27.2)	(26.4)	(25.1)	(26.0)	(24.7)	(21.1)	(25.2)	(23.3)	(20.8)	(22.0)	(23.9)
	Corporate expenses	(16.5)	(15.5)	(21.6)	(14.3)	(10.8)	(12.5)	(13.9)	(16.4)	(15.9)	(17.9)	(11.7)	(17.5)	(17.6)
Consolidated	Total revenue	442.9	427.6	359.0	357.6	403.4	410.2	362.9	326.8	425.2	468.6	409.5	439.6	468.5
	Operating income	91.3	85.6	41.7	62.6	58.8	79.5	52.4	51.3	80.2	108.4	73.3	105.1	117.0

INNOVATOR IN ELECTRONICS