

Consolidated Financial Flash Report (December 31, 2016)

Date: January 31, 2017

Company Name : Murata Manufacturing Co., Ltd.
Listing Code : 6981
(URL <http://www.murata.com/>)
Phone : (075) 955-6525
The date of payout of dividends: -

Stock Exchange Listings:
Tokyo Stock Exchange
Stock Exchange of Singapore

1. Consolidated financial results for the nine months ended December 31, 2016

(1) Operating results

	Net sales		Operating income		Income before income taxes		Net income attributable to Murata Corporation	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2016	865,934	(8.8)	164,555	(30.1)	162,635	(32.2)	126,987	(27.9)
Nine months ended December 31, 2015	949,487	22.1	235,414	46.1	240,023	32.2	176,132	34.2

Comprehensive income attributable to Murata Corporation: 134,850 million yen for the nine months ended December 31, 2016 and 164,808 million yen for the nine months ended December 31, 2015

	Basic earnings attributable to Murata Corporation per share	Diluted earnings attributable to Murata Corporation per share
	Yen	Yen
Nine months ended December 31, 2016	597.23	-
Nine months ended December 31, 2015	831.97	-

* Percentages in the fields of Net sales, Operating income, Income before income taxes, and Net income attributable to Murata Corporation are the growth ratios against the same period of the previous fiscal year.

(2) Financial position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
At December 31, 2016	1,616,528	1,331,535	82.4	6,259.01
At March 31, 2016	1,517,784	1,229,159	81.0	5,806.06

2. Dividends (Year ended March 31, 2016 and the year ending March 31, 2017)

	Cash dividends per share				
	First Quarter	Second Quarter	Third Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2016	-	100.00	-	110.00	210.00
2017	-	110.00	-		
2017 (Projected)				110.00	220.00

*No change in the projected dividends during the three months ended December 31, 2016.

3. Projected financial results for the year ending March 31, 2017 (Consolidated basis)

	Net sales		Operating income		Income before income taxes		Net income attributable to Murata Corporation		Basic earnings attributable to Murata Corporation per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending March 31, 2017	1,115,000	(7.9)	200,000	(27.4)	203,000	(27.3)	156,000	(23.4)	733.59

*No change in the projected financial results during the three months ended December 31, 2016.
Percentages for the year ending March 31, 2017 are the growth ratios against the previous year.

4. Notes

(1) Changes in significant subsidiaries during the nine months ended December 31, 2016 (changes in specific subsidiaries that caused change in scope of consolidation): None

(2) Adoption of simplified and specifically applied the accounting method

The Companies adopted the accounting method specifically applied for quarterly consolidated financial reporting.

(3) Changes in accounting policy

Changes due to adoption of new accounting standard: None
Changes due to reasons other than above: None

(4) Number of common shares outstanding

Number of shares outstanding including treasury stock: 225,263,592 shares at December 31, 2016 and at March 31, 2016

Number of treasury stock: 12,524,562 shares at December 31, 2016 and 13,560,912 shares at March 31, 2016

Average number of shares outstanding: 212,627,082 shares for the nine months ended December 31, 2016 and 211,703,883 shares for the nine months ended December 31, 2015

*Notes to the projected financial results

The above projections were prepared based on estimates using information currently available.

Actual results may differ from the projections. For assumptions and other information regarding the projections, refer to "Business Results and Financial Position".

Basic earnings attributable to Murata Corporation per share of projected financial results for the year ending March 31, 2017 have been adjusted for the effects of the share exchange by Murata Manufacturing Co., Ltd. ("Murata") and Toko, Inc., which became a wholly-owned subsidiary of Murata. The share exchange became effective on May 1, 2016.

Business Results and Financial Position

(from April 1, 2016 through December 31, 2016)

1. Business Results

In the global economic environment for the period under review, the economic situation in the U.S. developed steadily due to overall growth in consumer spending, which in turn resulted from improvements in employment and private income. On the other hand, Europe left political uncertainties including the implications of Brexit, although its economy continued recovery due to credit ease. China continued to experience gentle economic slowdown, despite the latest pause in the trend effected by various government measures.

In the electronics market, while the growth rate of the smartphone market weakens, improvements in the functions of smartphones contributed to an increased number of electronic components per terminal. In the automotive market, the growing number of electric components installed in vehicles for safety and convenience will likely increase demand for electronic components.

While Murata Manufacturing Co., Ltd. and subsidiaries (together the “Companies”) focused on promising markets, achieving growth in the sales volumes of general-purpose electronic components due to the functional sophistication of smartphones, its net sales for the period under review decreased by 8.8% year-on-year to 865,934 million yen. This was primarily due to price declines and the yen's appreciation of 15.02 yen against the dollar compared with the same period in 2015.

Operating income was 164,555 million yen, down 30.1%, income before income taxes was 162,635 million yen, down 32.2%, and net income was 126,987 million yen, down 27.9% from the same period in 2015. Positive contributions such as cost reduction initiatives and the ongoing introduction of new products were more than offset by negative factors including price declines, higher depreciation and amortization, and the stronger yen.

	Millions of yen					
	Nine months ended December 31, 2015		Nine months ended December 31, 2016		Change	
		%*		%*		%*
Net sales	949,487	100.0	865,934	100.0	(83,553)	(8.8)
Operating income	235,414	24.8	164,555	19.0	(70,859)	(30.1)
Income before income taxes	240,023	25.3	162,635	18.8	(77,388)	(32.2)
Net income attributable to Murata Corporation	176,132	18.6	126,987	14.7	(49,145)	(27.9)
Average exchange rate (Yen/U.S. dollar)	121.70	—	106.68	—	(15.02)	—
Average exchange rate (Yen/EURO)	134.37	—	118.09	—	(16.28)	—

*Component ratio as a percentage of net sales

Sales by Product Category

Net sales by product category for the period under review were as follows.

		Millions of yen					
		Nine months ended December 31, 2015		Nine months ended December 31, 2016		Change	
			%*		%*		%
Capacitors		281,842	29.8	275,444	31.9	(6,398)	(2.3)
Piezoelectric Components		123,606	13.0	134,102	15.5	10,496	8.5
Other Components		182,517	19.3	169,264	19.6	(13,253)	(7.3)
Components Total		587,965	62.1	578,810	67.0	(9,155)	(1.6)
Communication Modules		318,949	33.7	251,308	29.1	(67,641)	(21.2)
Power Supplies and Other Modules		39,701	4.2	33,596	3.9	(6,105)	(15.4)
Modules Total		358,650	37.9	284,904	33.0	(73,746)	(20.6)
Net sales		946,615	100.0	863,714	100.0	(82,901)	(8.8)

*Component ratio as a percentage of net sales

<Components>

Sales of Components for the period under review decreased by 1.6% year-on-year to 578,810 million yen.

[Capacitors]

The Capacitors category includes multilayer ceramic capacitors (MLCCs).

For the period under review, sales of MLCCs for communication equipment, the main product in this category, decreased in amount sold due to the stronger yen and price declines, while it increased in quantity sold due to improvements in the functions of smartphones. Products for car electronics remained successful as growth in automotive production and ongoing electrification helped increase demand.

As a result, overall net sales decreased by 2.3% year-on-year to 275,444 million yen.

[Piezoelectric Components]

The Piezoelectric Components category includes SAW (surface acoustic wave) filters, ceramic resonators, piezoelectric sensors, and ceramic filters.

For the period under review, sales of SAW filters sharply increased owing to the penetration of multi-band smartphones in China. In addition, sales of ultrasonic sensors increased substantially as a result of the progress in the electrification of vehicles.

As a result, overall net sales increased by 8.5% year-on-year to 134,102 million yen.

[Other Components]

Other Components include inductors (coils), EMI (electro-magnetic interference) suppression filters, connectors, sensors and thermistors.

For the period under review, RF coils for smartphones increased in sales, while connectors for smartphones suffered from a sales decline due to a reduction in the number of connectors used in the smartphone models the Companies caters to.

As a result, overall net sales decreased by 7.3% year-on-year to 169,264 million yen.

<Modules>

Sales of Modules for the period under review decreased by 20.6% year-on-year to 284,904 million yen.

[Communication Modules]

The Communication Modules category includes short-range wireless communication modules, RF sub modules, circuit modules, and multilayer ceramic devices.

For the period under review, short-range wireless communication modules, RF sub modules, and circuit modules for high-end smartphones suffered from declines in sales from the very successful prior-year period. This was due to the stronger yen and reductions in the production of smartphones integrating Murata components.

As a result, overall net sales decreased by 21.2% year-on-year to 251,308 million yen.

[Power Supplies and Other Modules]

This product category includes power supplies.

For the period under review, sales of power supplies for vehicles and business equipment decreased compared with the same period of the previous year.

As a result, overall net sales decreased by 15.4% to 33,596 million yen.

2. Financial Position

Total assets at December 31, 2016 increased by 98,744 million yen from the end of the previous fiscal year to 1,616,528 million yen. The ratio of shareholders' equity to total assets increased by 1.4 percentage points from the end of the previous fiscal year to 82.4% at December 31, 2016.

Compared with the same period of the previous year, cash flows for the period under review were as follows:

<Net Cash Provided by Operating Activities>

For the period under review, net cash provided by operating activities was 152,202 million yen. Net income was 127,004 million yen, depreciation and amortization was 81,024 million yen, and accrued expenses and other increased by 23,597 million yen, while accounts receivable increased by 55,138 million yen, income taxes payable decreased by 23,511 million yen, and accrued payroll and bonuses decreased by 12,307 million yen.

Net cash provided by operating activities increased by 42,912 million yen from the nine months ended December 31, 2015.

<Net Cash Used in Investing Activities>

For the period under review, net cash used in investing activities was 108,223 million yen. Cash outflows from capital expenditures were 110,916 million yen, and payment for purchases of marketable securities, investments and other was 30,351 million yen, while cash inflows from decrease in short-term investments was 39,056 million yen, and maturities and sales of marketable securities were 29,782 million yen.

Net cash used in investing activities increased by 3,261 million yen from the nine months ended December 31, 2015.

<Net Cash Used in Financing Activities>

For the period under review, net cash used in financing activities was 15,749 million yen. Cash inflows from an increase in short-term borrowings was 35,509 million yen, while payments of dividends were 46,689 million yen, and the repayment of long-term debt was 4,540 million yen.

Net cash used in financing activities increased by 41,125 million yen from the nine months ended December 31, 2015.

3. Projected Results for the Year Ending March 31, 2017

The Companies have not revised its projected results for the year ending March 31, 2017, which were announced on October 31, 2016.

[Cautionary Statement on Forward-looking Statements]

This report contains forward-looking statements concerning the Companies' projections, plans, policies, strategies, schedules, and decisions. These forward-looking statements are not historical facts; rather, they represent the assumptions of the Companies based on information currently available and certain assumptions we deem as reasonable. Actual results may differ materially from expectations owing to various risks and uncertainties. Readers are therefore requested not to rely on these forward-looking statements as the sole basis for evaluating the Companies. The Companies have 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 Companies' 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 Companies' 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 Companies' financial assets; (6) drastic legal, political, and social changes in the Companies' business environment; and (7) other uncertainties and contingencies.

(1) Consolidated Balance Sheets (Assets)

At March 31, 2016 and December 31, 2016

	Millions of Yen			
	At March 31, 2016		At December 31, 2016	
		%		%
Assets	1,517,784	100.0	1,616,528	100.0
Current assets	835,369	55.1	867,648	53.7
Cash	150,627		160,627	
Short-term investments	174,228		149,561	
Marketable securities	45,188		44,932	
Trade notes receivable	399		315	
Trade accounts receivable	194,549		255,541	
Allowance for doubtful notes and accounts	(845)		(844)	
Inventories	217,462		202,501	
Deferred income taxes	31,365		25,508	
Prepaid expenses and other	22,396		29,507	
Property, plant and equipment	455,862	30.0	494,949	30.6
Land	49,757		50,932	
Buildings	350,279		381,660	
Machinery and equipment	873,410		936,271	
Construction in progress	37,750		37,366	
Accumulated depreciation	(855,334)		(911,280)	
Investments and other assets	226,553	14.9	253,931	15.7
Investments	100,131		99,546	
Intangible assets	51,708		51,228	
Goodwill	53,738		63,290	
Deferred income taxes	11,258		4,991	
Other	9,718		34,876	
Total assets	1,517,784	100.0	1,616,528	100.0

Consolidated Balance Sheets (Liabilities and Equity)

At March 31, 2016 and December 31, 2016

	Millions of Yen			
	At March 31, 2016		At December 31, 2016	
		%		%
Liabilities	273,805	18.0	284,464	17.6
Current liabilities	185,623	12.2	206,133	12.8
Short-term borrowings	6,446		41,955	
Trade accounts payable	56,380		53,990	
Accrued payroll and bonuses	36,456		24,251	
Income taxes payable	28,734		6,541	
Accrued expenses and other	57,607		79,396	
Long-term liabilities	88,182	5.8	78,331	4.8
Long-term debt	3,301		796	
Termination and retirement benefits	71,884		67,445	
Deferred income taxes	11,643		8,794	
Other	1,354		1,296	
Equity	1,243,979	82.0	1,332,064	82.4
Murata Corporation's Shareholders' equity	1,229,159	81.0	1,331,535	82.4
Common stock	69,377		69,377	
Capital surplus	103,865		114,290	
Retained earnings	1,131,809		1,212,107	
Accumulated other comprehensive loss:	(15,532)		(8,442)	
Unrealized gains on securities	2,945		6,141	
Pension liability adjustments	(23,587)		(21,731)	
Foreign currency translation adjustments	5,110		7,148	
Treasury stock, at cost	(60,360)		(55,797)	
Noncontrolling interests	14,820	1.0	529	0.0
Total liabilities and equity	1,517,784	100.0	1,616,528	100.0

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

Nine months ended December 31, 2015 and 2016

	Millions of Yen			
	Nine months ended December 31, 2015		Nine months ended December 31, 2016	
Net sales	949,487	100.0	865,934	100.0
Cost of sales	549,242	57.8	533,482	61.6
Selling, general and administrative	107,400	11.4	107,287	12.4
Research and development	57,431	6.0	60,610	7.0
Operating income	235,414	24.8	164,555	19.0
Interest and dividend income	2,000	0.2	1,797	0.2
Interest expense	(105)	(0.0)	(101)	(0.0)
Foreign currency exchange loss	(523)	(0.1)	(4,875)	(0.6)
Other - net	3,237	0.4	1,259	0.2
Income before income taxes	240,023	25.3	162,635	18.8
Income taxes	63,675	6.7	35,631	4.1
<Current income tax>	<58,666>		<29,104>	
<Deferred income tax>	<5,009>		<6,527>	
Net income	176,348	18.6	127,004	14.7
Less: Net income attributable to noncontrolling interests	216	0.0	17	0.0
Net income attributable to Murata Corporation	176,132	18.6	126,987	14.7

Consolidated Statements of Comprehensive Income

Nine months ended December 31, 2015 and 2016

	Millions of Yen	
	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Net income	176,348	127,004
Other comprehensive income (loss), net of tax:		
Unrealized gains (losses) on securities	(1,790)	3,155
Pension liability adjustments	813	2,743
Foreign currency translation adjustments	(10,827)	1,955
Other comprehensive income (loss)	(11,804)	7,853
Comprehensive income	164,544	134,857
Less: Comprehensive income (loss) attributable to noncontrolling interests	(264)	7
Comprehensive income attributable to Murata Corporation	164,808	134,850

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

Three months ended December 31, 2015 and 2016

	Millions of Yen			
	Three months ended December 31, 2015		Three months ended December 31, 2016	
		%		%
Net sales	339,678	100.0	304,014	100.0
Cost of sales	201,148	59.2	190,419	62.7
Selling, general and administrative	35,824	10.6	37,330	12.3
Research and development	19,432	5.7	20,208	6.6
Operating income	83,274	24.5	56,057	18.4
Interest and dividend income	644	0.1	661	0.2
Interest expense	(12)	(0.0)	(67)	(0.0)
Foreign currency exchange loss	(164)	(0.0)	(4,154)	(1.4)
Other - net	(32)	(0.0)	410	0.2
Income before income taxes	83,710	24.6	52,907	17.4
Income taxes	23,155	6.8	10,622	3.5
<Current income tax>	<16,546>		<6,333>	
<Deferred income tax>	<6,609>		<4,289>	
Net income	60,555	17.8	42,285	13.9
Less: Net loss attributable to noncontrolling interests	(211)	(0.1)	(1)	(0.0)
Net income attributable to Murata Corporation	60,766	17.9	42,286	13.9

Consolidated Statements of Comprehensive Income

Three months ended December 31, 2015 and 2016

	Millions of Yen	
	Three months ended December 31, 2015	Three months ended December 31, 2016
Net income	60,555	42,285
Other comprehensive income (loss), net of tax:		
Unrealized gains on securities	996	2,220
Pension liability adjustments	(65)	657
Foreign currency translation adjustments	(5,484)	49,587
Other comprehensive income (loss)	(4,553)	52,464
Comprehensive income	56,002	94,749
Less: Comprehensive income (loss) attributable to noncontrolling interests	(221)	31
Comprehensive income attributable to Murata Corporation	56,223	94,718

(3) Consolidated Statements of Cash Flows

Nine months ended December 31, 2015 and 2016

	Millions of Yen			
	Nine months ended December 31, 2015		Nine months ended December 31, 2016	
Operating activities:				
Net income		176,348		127,004
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	71,191		81,024	
Losses on sales and disposals of property, plant and equipment	1,076		568	
Provision for termination and retirement benefits, less payments	(5,509)		(1,016)	
Deferred income taxes	5,009		6,527	
Changes in assets and liabilities:				
Increase in trade notes and accounts receivable	(66,356)		(55,138)	
(Increase) decrease in inventories	(36,816)		16,039	
Increase in prepaid expenses and other	(12,250)		(6,624)	
Increase (decrease) in trade notes and accounts payable	4,586		(3,746)	
Decrease in accrued payroll and bonuses	(11,412)		(12,307)	
Decrease in income taxes payable	(31,129)		(23,511)	
Increase in accrued expenses and other	14,985		23,597	
Other-net	(433)	(67,058)	(215)	25,198
Net cash provided by operating activities		109,290		152,202
Investing activities:				
Capital expenditures		(126,015)		(110,916)
Payment for purchases of marketable securities, investments and other		(29,388)		(30,351)
Maturities and sales of marketable securities, investments and other		50,327		29,782
Increase in long-term deposits		-		(21,516)
(Increase) decrease in short-term investments		(7,654)		39,056
Acquisition of businesses, net of cash acquired		-		(14,778)
Other-net		1,246		500
Net cash used in investing activities		(111,484)		(108,223)
Financing activities:				
Increase (decrease) in short-term borrowings		(5,543)		35,509
Proceeds from long-term debt		1,000		-
Repayment of long-term debt		(9,874)		(4,540)
Dividends paid		(42,341)		(46,689)
Other-net		(116)		(29)
Net cash used in financing activities		(56,874)		(15,749)
Effect of exchange rate changes on cash and cash equivalents		3,377		(3,196)
Net increase (decrease) in cash and cash equivalents		(55,691)		25,034
Cash and cash equivalents at beginning of period		212,936		212,570
Cash and cash equivalents at end of period		157,245		237,604
Additional cash and cash equivalents information:				
Cash		124,032		160,627
Short-term investments		113,953		149,561
Short-term investments with original maturities over 3 months		(80,740)		(72,584)
Cash and cash equivalents at end of period		157,245		237,604

(4) Assumptions for Going Concern

None

(5) Segment Information

Operating Segment Information

The Companies mainly develop, manufacture and sell electronic components and related products.

Operating segments of the Companies are classified based on the nature of products, and the Companies recognized the Components segment, the Modules segment, and Others.

Nine months ended December 31, 2015 and 2016

		Millions of Yen			
		Nine months ended December 31, 2015		Nine months ended December 31, 2016	
Components	Sales to:		%		%
	Unaffiliated customers	587,965		578,810	
	Intersegment	39,746		27,628	
	Total revenue	627,711	100.0	606,438	100.0
	Segment income	214,424	34.2	163,320	26.9
Modules	Sales to:		%		%
	Unaffiliated customers	358,650		284,904	
	Intersegment	56		33	
	Total revenue	358,706	100.0	284,937	100.0
	Segment income	47,764	13.3	30,128	10.6
Others	Sales to:		%		%
	Unaffiliated customers	2,872		2,220	
	Intersegment	41,004		27,313	
	Total revenue	43,876	100.0	29,533	100.0
	Segment income	3,838	8.7	3,217	10.9
Corporate and eliminations	Sales to:		%		%
	Unaffiliated customers	-		-	
	Intersegment	(80,806)		(54,974)	
	Total revenue	(80,806)	-	(54,974)	-
	Corporate expenses	(30,612)	-	(32,110)	-
Consolidated	Sales to:		%		%
	Unaffiliated customers	949,487		865,934	
	Intersegment	-		-	
	Total revenue	949,487	100.0	865,934	100.0
	Operating income	235,414	24.8	164,555	19.0

Three months ended December 31, 2015 and 2016

		Millions of Yen			
		Three months ended December 31, 2015		Three months ended December 31, 2016	
Components	Sales to:		%		%
	Unaffiliated customers	202,811		202,149	
	Intersegment	14,669		8,577	
	Total revenue	217,480	100.0	210,726	100.0
	Segment income	74,319	34.2	53,482	25.4
Modules	Sales to:		%		%
	Unaffiliated customers	135,960		101,135	
	Intersegment	17		8	
	Total revenue	135,977	100.0	101,143	100.0
	Segment income	18,540	13.6	12,433	12.3
Others	Sales to:		%		%
	Unaffiliated customers	907		730	
	Intersegment	10,596		7,259	
	Total revenue	11,503	100.0	7,989	100.0
	Segment income	950	8.3	638	8.0
Corporate and eliminations	Sales to:		%		%
	Unaffiliated customers	-		-	
	Intersegment	(25,282)		(15,844)	
	Total revenue	(25,282)	-	(15,844)	-
	Corporate expenses	(10,535)	-	(10,496)	-
Consolidated	Sales to:		%		%
	Unaffiliated customers	339,678		304,014	
	Intersegment	-		-	
	Total revenue	339,678	100.0	304,014	100.0
	Operating income	83,274	24.5	56,057	18.4

Notes: 1. Major products and businesses included in the operating segments

(1) Components: Capacitors and Piezoelectric Components

(2) Modules: Communication Modules and Power Supplies

(3) Others: Machinery manufacturing, welfare services, education and training services, and sales of software

2. Intersegment transactions are based on market prices.

3. Segment income for each operating segments represents net sales less related costs.

Corporate expenses represent expenses of headquarters functions and fundamental researches.

(6) Significant Changes in Shareholders' Equity

None

(7) Other

January 31, 2017
Murata Manufacturing Co., Ltd.
Listing Code: 6981
(URL <http://www.murata.com/>)

Flash Report (Nine months ended December 31, 2016)

Selected Financial Data - Consolidated basis

Nine months ended December 31, 2015 and 2016 / at December 31, 2015 and 2016

		Consolidated Basis		
		2015	2016	Growth ratio
Net sales	Millions of yen	949,487	865,934	(8.8) %
Operating income	<*> Millions of yen	<24.8> 235,414	<19.0> 164,555	(30.1)
Income before income taxes	<*> Millions of yen	<25.3> 240,023	<18.8> 162,635	(32.2)
Net income attributable to Murata Corporation	<*> Millions of yen	<18.6> 176,132	<14.7> 126,987	(27.9)
Total assets	Millions of yen	1,510,366	1,616,528	7.0
Shareholders' equity	Millions of yen	1,245,519	1,331,535	6.9
Shareholders' equity ratio	%	82.5	82.4	-
Basic earnings attributable to Murata Corporation per share	Yen	831.97	597.23	(28.2)
Shareholders' equity per share	Yen	5,883.34	6,259.01	-
Capital expenditures	Millions of yen	126,015	110,916	(12.0)
Depreciation and amortization	<*> Millions of yen	<7.5> 71,191	<9.4> 81,024	13.8
R & D expenses	<*> Millions of yen	<6.0> 57,431	<7.0> 60,610	5.5
Number of employees	*4	<30,245> 54,252	<34,662> 59,533	9.7
Average exchange rates				
Yen/US dollar	Yen	121.70	106.68	-
Yen/EURO	Yen	134.37	118.09	-

Three months ended December 31, 2015 and 2016

		Consolidated Basis		
		2015	2016	Growth ratio
Net sales	Millions of yen	339,678	304,014	(10.5) %
Operating income	<*> Millions of yen	<24.5> 83,274	<18.4> 56,057	(32.7)
Income before income taxes	<*> Millions of yen	<24.6> 83,710	<17.4> 52,907	(36.8)
Net income attributable to Murata Corporation	<*> Millions of yen	<17.9> 60,766	<13.9> 42,286	(30.4)
Basic earnings attributable to Murata Corporation per share	Yen	287.03	198.77	(30.7)
Capital expenditures	Millions of yen	37,590	32,847	(12.6)
Depreciation and amortization	<*> Millions of yen	<7.9> 26,853	<9.9> 29,991	11.7
R & D expenses	<*> Millions of yen	<5.7> 19,432	<6.6> 20,208	4.0

*1 The consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America.

*2 Ratio to net sales

*3 Diluted earnings per share is not stated since there were no potential dilutive securities.

*4 Figures in parentheses indicate the number of employees in foreign countries.

Orders, Backlogs and Sales

(1) Orders and Backlogs by Product

<Orders>

Nine months ended December 31, 2015 and 2016

	Millions of Yen					
	Nine months ended December 31, 2015		Nine months ended December 31, 2016		Change	
		%*1		%*1		%
Capacitors	279,472	29.3	291,943	33.2	12,471	4.5
Piezoelectric Components	134,024	14.1	119,090	13.6	(14,934)	(11.1)
Other Components	180,098	18.9	171,580	19.5	(8,518)	(4.7)
Components Total	593,594	62.3	582,613	66.3	(10,981)	(1.8)
Communication Modules	319,475	33.5	260,968	29.7	(58,507)	(18.3)
Power Supplies and Other Modules	39,514	4.2	34,577	4.0	(4,937)	(12.5)
Modules Total	358,989	37.7	295,545	33.7	(63,444)	(17.7)
Total	952,583	100.0	878,158	100.0	(74,425)	(7.8)

Three months ended December 31, 2015 and 2016

	Millions of Yen					
	Three months ended December 31, 2015		Three months ended December 31, 2016		Change	
		%*1		%*1		%
Capacitors	96,286	30.5	107,946	34.4	11,660	12.1
Piezoelectric Components	45,123	14.3	41,858	13.4	(3,265)	(7.2)
Other Components	58,190	18.4	58,160	18.5	(30)	(0.1)
Components Total	199,599	63.2	207,964	66.3	8,365	4.2
Communication Modules	102,887	32.6	92,939	29.6	(9,948)	(9.7)
Power Supplies and Other Modules	13,236	4.2	12,666	4.1	(570)	(4.3)
Modules Total	116,123	36.8	105,605	33.7	(10,518)	(9.1)
Total	315,722	100.0	313,569	100.0	(2,153)	(0.7)

*1 Component ratio

*2 Figures are based on sales prices to customers.

*3 Exclusive of consumption taxes

*4 The tables by product indicate orders, backlogs, and sales of electronic components and related products.

<Backlogs>

	Millions of Yen					
	At March 31, 2016		At December 31, 2016		Change	
		%*1		%*1		%
Capacitors	34,629	26.6	51,128	35.4	16,499	47.6
Piezoelectric Components	34,849	26.8	19,837	13.8	(15,012)	(43.1)
Other Components	18,797	14.5	21,113	14.6	2,316	12.3
Components Total	88,275	67.9	92,078	63.8	3,803	4.3
Communication Modules	35,644	27.5	45,304	31.4	9,660	27.1
Power Supplies and Other Modules	6,008	4.6	6,989	4.8	981	16.3
Modules Total	41,652	32.1	52,293	36.2	10,641	25.5
Total	129,927	100.0	144,371	100.0	14,444	11.1

*1 Component ratio

*2 Figures are based on sales prices to customers.

*3 Exclusive of consumption taxes

(2) Sales by Product Category, Application and Area

1. Sales by Product Category

Nine months ended December 31, 2015 and 2016

	Millions of Yen					
	Nine months ended December 31, 2015		Nine months ended December 31, 2016		Change	
		%*1		%*1		%
Capacitors	281,842	29.8	275,444	31.9	(6,398)	(2.3)
Piezoelectric Components	123,606	13.0	134,102	15.5	10,496	8.5
Other Components	182,517	19.3	169,264	19.6	(13,253)	(7.3)
Components Total	587,965	62.1	578,810	67.0	(9,155)	(1.6)
Communication Modules	318,949	33.7	251,308	29.1	(67,641)	(21.2)
Power Supplies and Other Modules	39,701	4.2	33,596	3.9	(6,105)	(15.4)
Modules Total	358,650	37.9	284,904	33.0	(73,746)	(20.6)
Net sales	946,615	100.0	863,714	100.0	(82,901)	(8.8)

Three months ended December 31, 2015 and 2016

	Millions of Yen					
	Three months ended December 31, 2015		Three months ended December 31, 2016		Change	
		%*1		%*1		%
Capacitors	97,246	28.7	98,041	32.4	795	0.8
Piezoelectric Components	43,489	12.9	44,937	14.8	1,448	3.3
Other Components	62,076	18.3	59,171	19.5	(2,905)	(4.7)
Components Total	202,811	59.9	202,149	66.7	(662)	(0.3)
Communication Modules	122,984	36.3	90,142	29.7	(32,842)	(26.7)
Power Supplies and Other Modules	12,976	3.8	10,993	3.6	(1,983)	(15.3)
Modules Total	135,960	40.1	101,135	33.3	(34,825)	(25.6)
Net sales	338,771	100.0	303,284	100.0	(35,487)	(10.5)

*1 Component ratio

*2 Exclusive of consumption taxes

2. Sales by Application (based on the Company's estimate)

Nine months ended December 31, 2015 and 2016

	Millions of Yen					
	Nine months ended December 31, 2015		Nine months ended December 31, 2016		Change	
		%*1		%*1		%
AV	37,439	3.9	34,251	4.0	(3,188)	(8.5)
Communications	583,132	61.6	498,129	57.7	(85,003)	(14.6)
Computers and Peripherals	127,974	13.5	124,817	14.4	(3,157)	(2.5)
Automotive Electronics	114,142	12.1	123,943	14.3	9,801	8.6
Home and Others	83,928	8.9	82,574	9.6	(1,354)	(1.6)
Net sales	946,615	100.0	863,714	100.0	(82,901)	(8.8)

Three months ended December 31, 2015 and 2016

	Millions of Yen					
	Three months ended December 31, 2015		Three months ended December 31, 2016		Change	
		%*1		%*1		%
AV	11,759	3.5	11,659	3.8	(100)	(0.9)
Communications	217,718	64.3	174,186	57.4	(43,532)	(20.0)
Computers and Peripherals	43,574	12.8	45,785	15.1	2,211	5.1
Automotive Electronics	38,894	11.5	44,185	14.6	5,291	13.6
Home and Others	26,826	7.9	27,469	9.1	643	2.4
Net sales	338,771	100.0	303,284	100.0	(35,487)	(10.5)

*1 Component ratio

*2 Exclusive of consumption taxes

3. Sales by Area

Nine months ended December 31, 2015 and 2016

	Millions of Yen					
	Nine months ended December 31, 2015		Nine months ended December 31, 2016		Change	
		%*1		%*1		%
The Americas	63,985	6.7	76,694	8.9	12,709	19.9
Europe	59,684	6.3	61,390	7.1	1,706	2.9
Greater China	604,964	63.9	504,810	58.4	(100,154)	(16.6)
Asia and Others	159,618	16.9	158,138	18.3	(1,480)	(0.9)
Overseas total	888,251	93.8	801,032	92.7	(87,219)	(9.8)
Japan	58,364	6.2	62,682	7.3	4,318	7.4
Net sales	946,615	100.0	863,714	100.0	(82,901)	(8.8)

Three months ended December 31, 2015 and 2016

	Millions of Yen					
	Three months ended December 31, 2015		Three months ended December 31, 2016		Change	
		%*1		%*1		%
The Americas	19,090	5.6	30,013	9.9	10,923	57.2
Europe	19,824	5.9	19,716	6.5	(108)	(0.5)
Greater China	226,371	66.8	180,883	59.7	(45,488)	(20.1)
Asia and Others	53,590	15.8	51,320	16.9	(2,270)	(4.2)
Overseas total	318,875	94.1	281,932	93.0	(36,943)	(11.6)
Japan	19,896	5.9	21,352	7.0	1,456	7.3
Net sales	338,771	100.0	303,284	100.0	(35,487)	(10.5)

*1 Component ratio

*2 Exclusive of consumption taxes

Quarterly Consolidated Performance

(1) Consolidated Financial Results

	Millions of yen							
	Three months ended June 30, 2015		Three months ended September 30, 2015		Three months ended December 31, 2015		Three months ended March 31, 2016	
		% *1		% *1		% *1		% *1
Net sales	280,828	100.0	328,981	100.0	339,678	100.0	261,354	100.0
Operating income	63,953	22.8	88,187	26.8	83,274	24.5	39,992	15.3
Income before income taxes	65,007	23.1	91,306	27.8	83,710	24.6	39,150	15.0
Net income attributable to Murata Corporation	46,560	16.6	68,806	20.9	60,766	17.9	27,644	10.6

	Millions of yen					
	Three months ended June 30, 2016		Three months ended September 30, 2016		Three months ended December 31, 2016	
		% *1		% *1		% *1
Net sales	260,925	100.0	300,995	100.0	304,014	100.0
Operating income	48,695	18.7	59,803	19.9	56,057	18.4
Income before income taxes	50,200	19.2	59,528	19.8	52,907	17.4
Net income attributable to Murata Corporation	37,675	14.4	47,026	15.6	42,286	13.9

*1 Ratio to net sales

(2) Sales by Product Category

	Millions of yen							
	Three months ended June 30, 2015		Three months ended September 30, 2015		Three months ended December 31, 2015		Three months ended March 31, 2016	
		% *1		% *1		% *1		% *1
Capacitors	89,144	31.8	95,452	29.1	97,246	28.7	85,477	32.8
Piezoelectric Components	38,234	13.7	41,883	12.8	43,489	12.9	38,274	14.7
Other Components	56,610	20.2	63,831	19.5	62,076	18.3	48,450	18.6
Components Total	183,988	65.7	201,166	61.4	202,811	59.9	172,201	66.1
Communication Modules	82,983	29.7	112,982	34.4	122,984	36.3	76,248	29.3
Power Supplies and Other Modules	12,989	4.6	13,736	4.2	12,976	3.8	11,951	4.6
Modules Total	95,972	34.3	126,718	38.6	135,960	40.1	88,199	33.9
Net sales	279,960	100.0	327,884	100.0	338,771	100.0	260,400	100.0

	Millions of yen					
	Three months ended June 30, 2016		Three months ended September 30, 2016		Three months ended December 31, 2016	
		% *1		% *1		% *1
Capacitors	84,263	32.4	93,140	31.0	98,041	32.4
Piezoelectric Components	44,753	17.2	44,412	14.8	44,937	14.8
Other Components	50,838	19.5	59,255	19.7	59,171	19.5
Components Total	179,854	69.1	196,807	65.5	202,149	66.7
Communication Modules	69,179	26.6	91,987	30.7	90,142	29.7
Power Supplies and Other Modules	11,114	4.3	11,489	3.8	10,993	3.6
Modules Total	80,293	30.9	103,476	34.5	101,135	33.3
Net sales	260,147	100.0	300,283	100.0	303,284	100.0

*1 Component ratio

*2 Exclusive of consumption taxes