



January 30, 2018

Company name: Murata Manufacturing Co., Ltd.
Name of representative: Tsuneo Murata
Chairman of the Board, President and
Representative Director
(Code: 6981, First section of
the Tokyo Stock Exchange)
Contact: Takumi Ikushima
General Manager of Corporate
Communication Department
(Phone: 075-955-6786)

Notice Regarding Absorption-type Merger with Consolidated Subsidiary

Murata Manufacturing Co., Ltd. (the “Company”) hereby announces that at a meeting of the Board of Directors held today, a resolution was passed to conduct an absorption-type merger with Murata Active Partner Co., Ltd. (“Murata Active Partner”), a wholly-owned subsidiary of the Company, effective April 1, 2018. Furthermore, as this merger is a simple absorption-type merger involving a wholly-owned subsidiary of the Company, certain items and details have been omitted from this disclosure.

1. Objective of the merger

Murata Active Partner is a wholly-owned subsidiary of the Company that manages educational activities within the Group. In order to strengthen the Group’s *monozukuri* (manufacturing) capabilities, the Company must further accelerate its development of human resources, and has thus decided to integrate the “*monozukuri* human resource development” functions of the Company and Murata Active Partner.

2. Summary of the merger

(1) Schedule of the merger

January 30, 2018	Resolution to conduct the merger by the Board of Directors
January 30, 2018	Conclusion of merger agreement
April 1, 2018	Scheduled merger date (effective date)

(Note) This merger is categorized as a simple merger for the Company as defined in Article 796, Paragraph 2 of the Companies Act, and as a summary merger for Murata Active Partner as provided for in Article 784, Paragraph 1 of the Companies Act, and therefore shall be conducted by both companies without obtaining approval at a General Meeting of Shareholders for the merger agreement pertaining to this merger.

(2) Merger method

This merger shall be an absorption-type merger, with the Company as the surviving company and Murata Active Partner as the absorbed company.

(3) Details of any allotment pertaining to the merger

This merger is a merger with a wholly-owned subsidiary of the Company, and there shall be no allotment of shares or payment of any other consideration.

(4) Treatment of any subscription rights to shares or bonds with subscription rights to shares accompanying the merger

The absorbed company has not issued any subscription rights to shares or bonds with subscription rights to shares.

3. Outline of the companies participating in the merger (as of September 30, 2017)

	Surviving company (the Company)	Absorbed company (Murata Active Partner)
(1) Company name	Murata Manufacturing Co., Ltd.	Murata Active Partner Co., Ltd.
(2) Location of head office	10-1, Higashikotari 1-chome, Nagaokakyo-shi, Kyoto	10-1, Higashikotari 1-chome, Nagaokakyo-shi, Kyoto
(3) Title and name of representative	Tsuneo Murata Chairman of the Board, President and Representative Director	Toshiyuki Nakai President and Representative Director
(4) Details of business	Research, manufacturing and sales of electronic devices made from functional ceramic materials	Operations related to education
(5) Capital	¥69,444 million	¥10 million
(6) Date of incorporation	December 23, 1950	February 3, 2003
(7) Number of issued shares	225,271,427 shares	1,000 shares
(8) End of fiscal term	March 31	March 31
(9) Major shareholders and shareholding ratio (Note 1)	<ul style="list-style-type: none"> • JP MORGAN CHASE BANK 380055 8.3% • Japan Trustee Services Bank, Ltd. (Trust Account) 5.2% • The Master Trust Bank of Japan, Ltd. (Trust Account) 3.6% • Nippon Life Insurance Company 3.3% • STATE STREET BANK AND TRUST COMPANY 3.2% 	<ul style="list-style-type: none"> • Murata Manufacturing Co., Ltd. 100%
(10) Operational results and financial condition for the immediately preceding fiscal year		
Accounting period	Fiscal year ended March 31, 2017 (consolidated)	Fiscal year ended March 31, 2017 (non-consolidated)
Net assets	¥1,355,334 million	¥508 million
Total assets	¥1,634,999 million	¥617 million
Net assets per share (¥)	¥6368.48 (Note 2)	¥508,896.88
Net sales	¥1,135,524 million	¥304 million
Operating income	¥201,215 million	¥12 million
Ordinary income	¥200,418 million (Note 3)	¥12 million
Net income	¥156,060 million (Note 4)	¥163 million
Basic earnings per share (¥)	¥733.87 (Note 4)	¥163,203.65

- (Note 1) As of September 30, 2017, the Company holds 12,526,490 shares of treasury stock (5.6%).
- (Note 2) As the Company's consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"), "shareholders' equity per share" is presented.
- (Note 3) "Income before income taxes" calculated based on U.S. GAAP is presented.
- (Note 4) "Net income attributable to Murata Corporation" and "basic earnings attributable to Murata Corporation per share" calculated based on U.S. GAAP are presented.

4. Status of the Company after the merger

There shall be no change to the Company's name, location of head office, title and name of representative, details of business, capital, or accounting period after this merger.

5. Future prospects

This merger shall not have any impact on the consolidated results of the Company.

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