

Earnings Release Conference FY2015 (April 2015 to March 2016)

April 28, 2016

Murata Manufacturing Co., Ltd.



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

Topics of Financial Results for FY2015

- Sales of the fourth quarter was 261 billion yen. Although sales of specific customers decreased, sales of other customers mainly in Chinese customers increased. We achieved sales plan 260 billion yen.
- Sales of the fiscal year was 1200 billion yen, the highest in our history for the fourth consecutive year. Demands increased in wide range products such as communication modules, piezoelectric components and capacitors for smartphones and car electronics.
- Operating income, income before income taxes and net income were also the highest in our history for the second consecutive year. Net income recorded over 200 billion yen since the institution's formation.
- We plan to pay an annual dividend of 210 yen per share (comprising interim dividends of 100 yen per share and year-end dividends of 110 yen per share) for the fiscal year ending March 31, 2016, a 30 yen increase from the previous fiscal year.

1. Financial Results of FY2015

From April 2015 to March 2016
Consolidated Basis

Financial Results Overview

	FY2014		FY2015		Y on Y Change	
	(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)
Net sales	1043.5	100.0	1210.8	100.0	+167.3	+16.0
Operating income	214.5	20.6	275.4	22.7	+60.9	+28.4
Income before income taxes	238.4	22.8	279.2	23.1	+40.8	+17.1
Net income attributable to Murata Corporation	167.7	16.1	203.8	16.8	+36.1	+21.5

Sales by Product

	FY2014		FY2015		Y on Y Change	
	(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)
Capacitors	334.3	32.2	367.3	30.4	+33.0	+9.9
Piezoelectric Components	121.9	11.7	161.9	13.4	+40.0	+32.8
Other Components	222.9	21.4	231.0	19.2	+8.0	+3.6
Communication Modules	308.0	29.6	395.2	32.7	+87.2	+28.3
Power Supplies and Other Modules	53.0	5.1	51.7	4.3	(1.3)	(2.5)
Net sales	1040.0	100.0	1207.0	100.0	+167.0	+16.1

Sales by Product

Capacitors +9.9%	Multilayer Ceramic Capacitors : Increased in wide range application mainly smartphones and car electronics.
Piezoelectric Components +32.8%	Saw Filter : Sales for smartphones increased thanks to demand increase in great China and penetration of LTE device. Piezoelectric Sensors : Sales of Ultra-sonic sensors increased for safety device of automotive.
Other Components +3.6%	Connector : Significantly increased for smartphones. TOKO Products : Significantly increased for smartphones. Coils : Sales of Ferrite-Core Products decreased for smartphones.
Communication Modules +28.3%	RF Sub Modules : Sales for smartphones strongly grew due to the impact of releasing new products.
Power Supplies and Other Modules (2.5%)	Power Supplies : Sales for car audio decreased.

Sales by Application

	FY2014		FY2015		Y on Y Change	
	(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)
AV	50.0	4.8	47.6	3.9	(2.4)	(4.9)
Communication	562.6	54.1	728.4	60.4	+165.8	+29.5
Computers and Peripherals	171.7	16.5	166.6	13.8	(5.1)	(3.0)
Automotive Electronics	144.3	13.9	152.8	12.7	+8.6	+5.9
Home Electronics and Others	111.4	10.7	111.6	9.2	+0.2	+0.2
Net sales	1040.0	100.0	1207.0	100.0	+167.0	+16.1

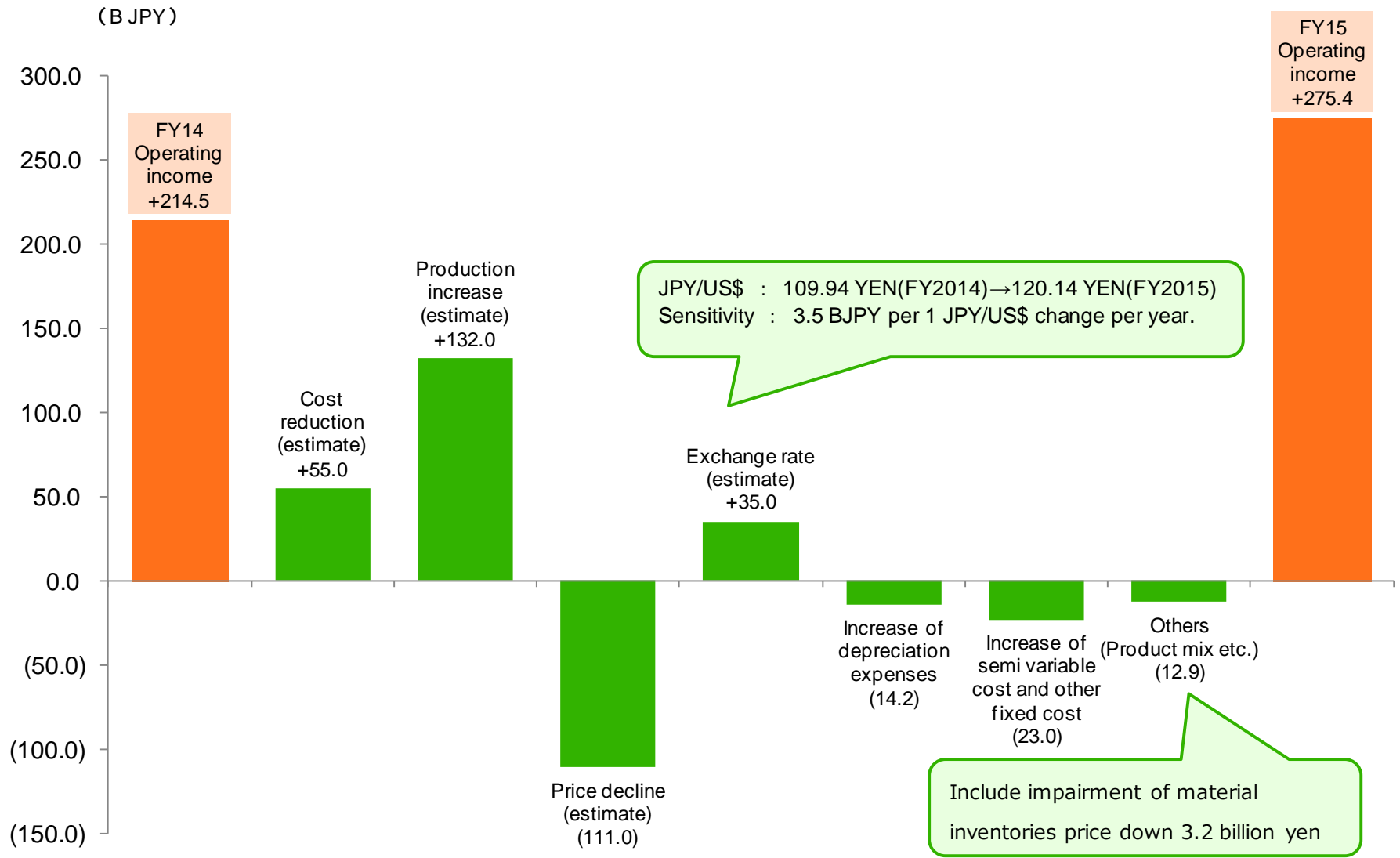
*Based on our estimate

Sales by Application

<p>A V ▲4.9%</p>	<p>Sales of Wireless Modules decreased for portable media player.</p> <p>Sales of high-capacitance MLCCs increased for set top box.</p>
<p>Communication +29.5%</p>	<p>Sales of RF Sub Modules, Wireless Modules, Ultra-Compact and High-Capacitance MLCCs and Connector strongly grew for smartphones, especially LTE device production increase.</p> <p>SAW Filter and Ultra-Compact and High-Capacitance MLCCs significantly increased for expansion of LTE device in great China.</p>
<p>Computers and Peripherals ▲3.0%</p>	<p>Wireless Modules and Connectors significantly decreased for tablets.</p> <p>High-Capacitance MLCCs increased for PC.</p>
<p>Automotive Electronics +5.9%</p>	<p>MLCC for car electronics increased due to vehicle electrification.</p> <p>Power supply for car audio decreased.</p>

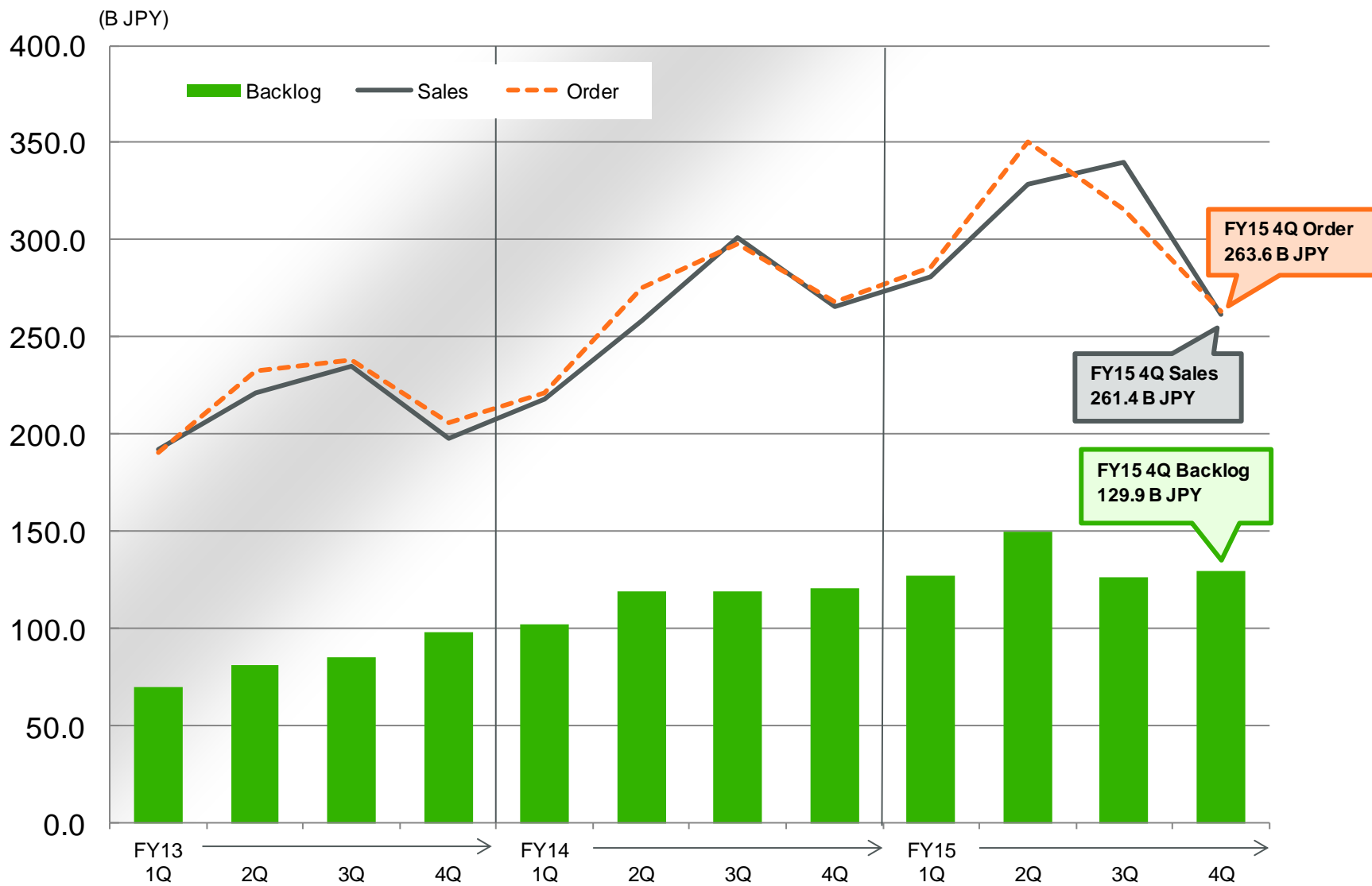
*Based on our estimation

Breakdown of Operating Income Changes FY2014 to FY2015

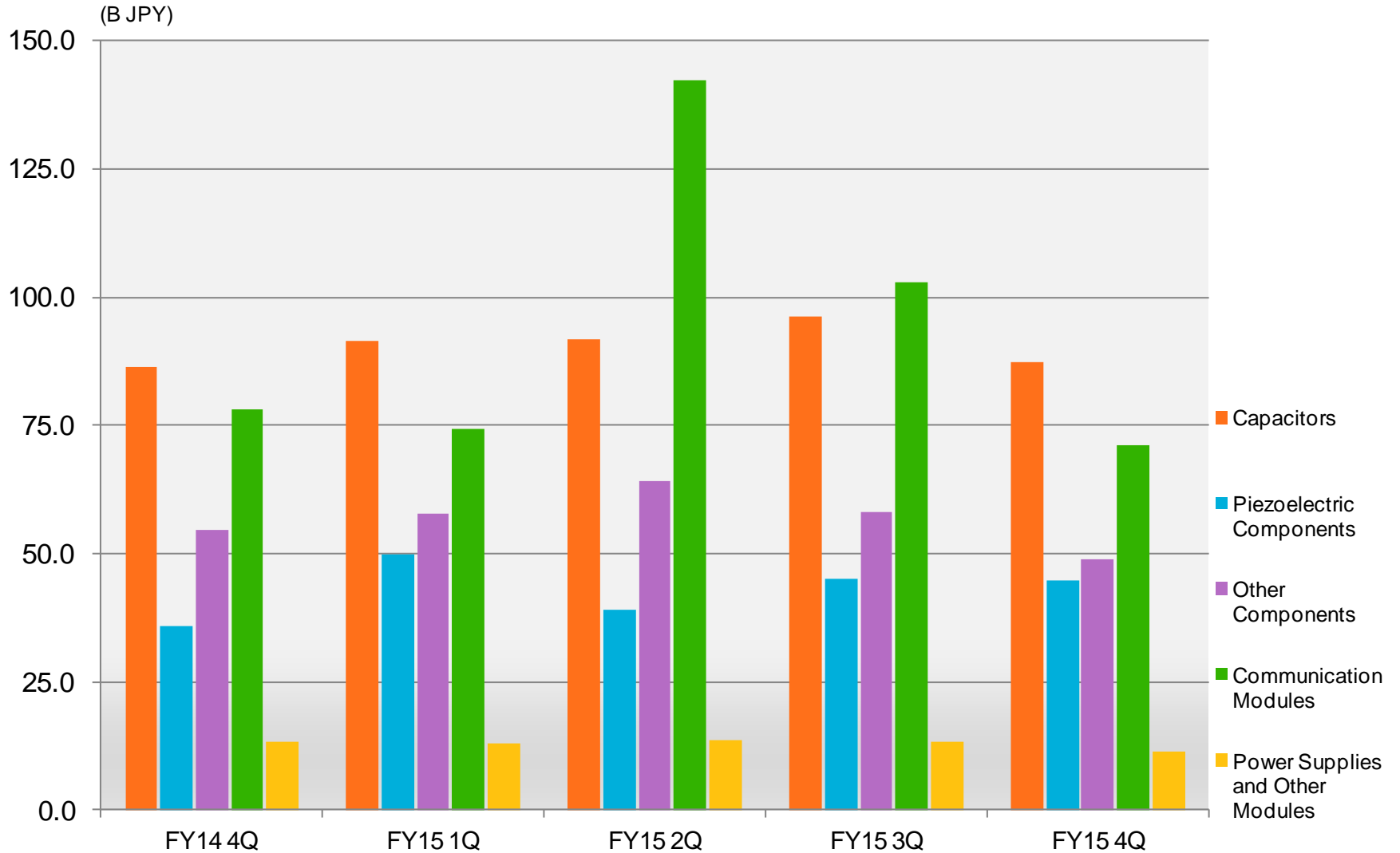


※Breakdown of Operating Income Change of Peregrine semiconductor was included in Others (Product mix etc.)

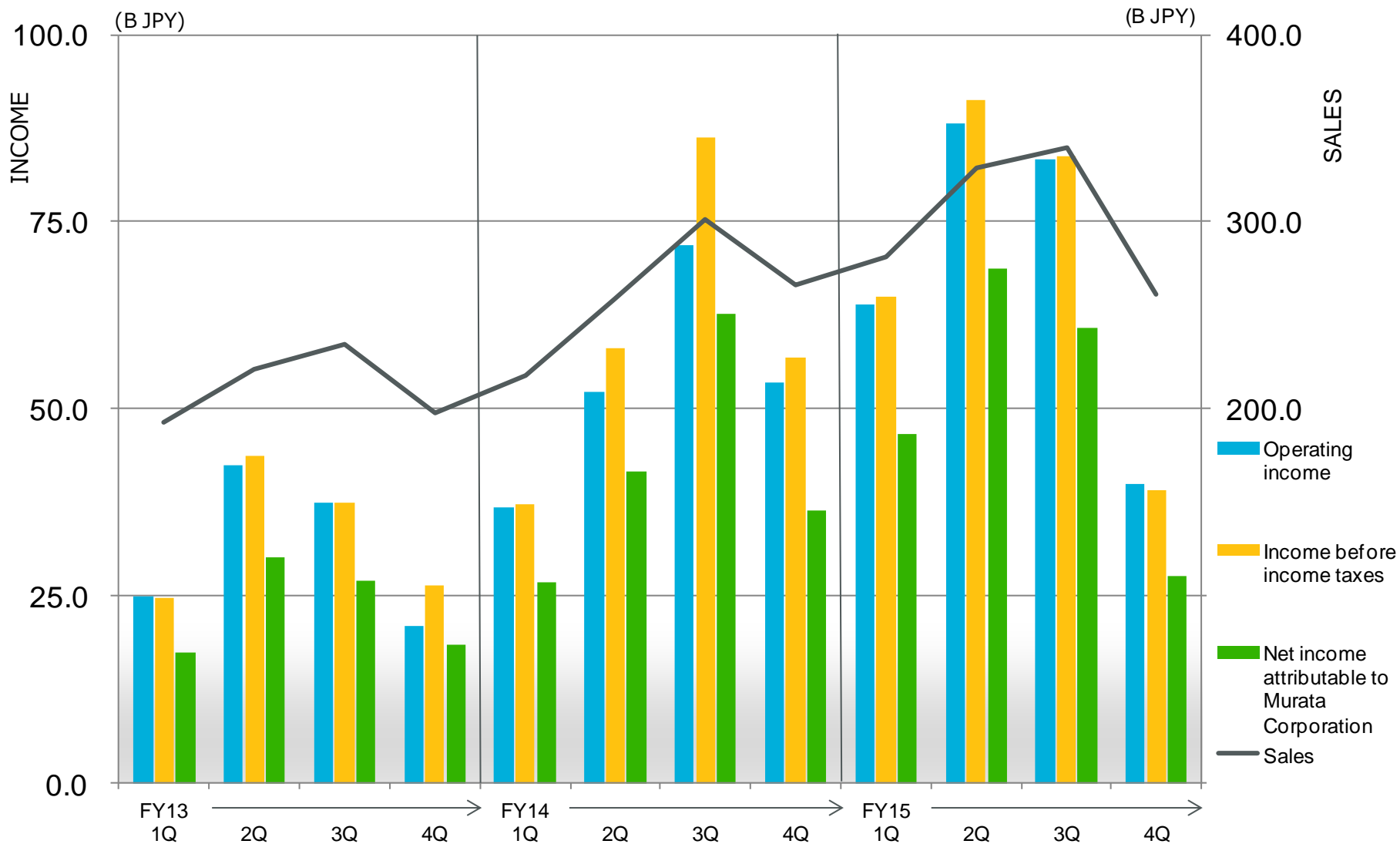
Quarterly Sales, Order and Backlog



Orders by Product



Quarterly Financial Results



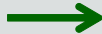




2. Projected Financial Results for FY2016

(From April 2016 to March 2017)






Projection of Demand (Communication)

FY2015

FY2016 Projection

Mobile Phones Total (units)	FY2015	→	FY2016 Projection		
	1,810 M	→	1,810 M	Flat	
2G	290 M	→	210 M	(28%)	
3G	620 M	→	490 M	(21%)	
LTE	900 M	→	1,100 M	+23%	
Smartphones	1,510 M	→	1,600 M	+6%	

Projection of Demand (PC, AV)

	FY2015		FY2016 Projection	
PCs (units)	460 M	→	440 M	(4%) 
Desktop	120 M	→	110 M	(5%) to (10%) 
Notebook	150 M	→	150 M	Flat 
Tablet	190 M	→	180 M	(5%) to (10%) 
Flat-Screen TVs (units)	210 M	→	210 M	Flat 

Projected Sales by Product

	FY2015 Actual (YoY growth ratio)	FY2016 Projections (YoY growth ratio)
Capacitors	+10%	+3%
Piezoelectric Components	+33%	+16%
Other Components	+4%	+4%
Communication Modules	+28%	(8%)
Power Supplies and Other Modules	(3%)	Flat
Total	+16%	+1%

FY2016 Projections (Year-on-year change excluding amount affected by exchange rates ※) (YoY growth ratio)
+8%
+23%
+10%
(2%)
5%
+7%

※The above percentage points are that we assumed exchange rate condition the same as FY2015

Projected Sales by Application

	FY2015 Actual (YoY growth ratio)	FY2016 Projections (YoY growth ratio)
AV	(5%)	(1%)
Communication	+30%	+2%
Computers and Peripherals	(3%)	(5%)
Automotive Electronics	+6%	+6%
Home Electronics and Others	0%	(3%)
Total	+16%	+1%

* Based on our estimate

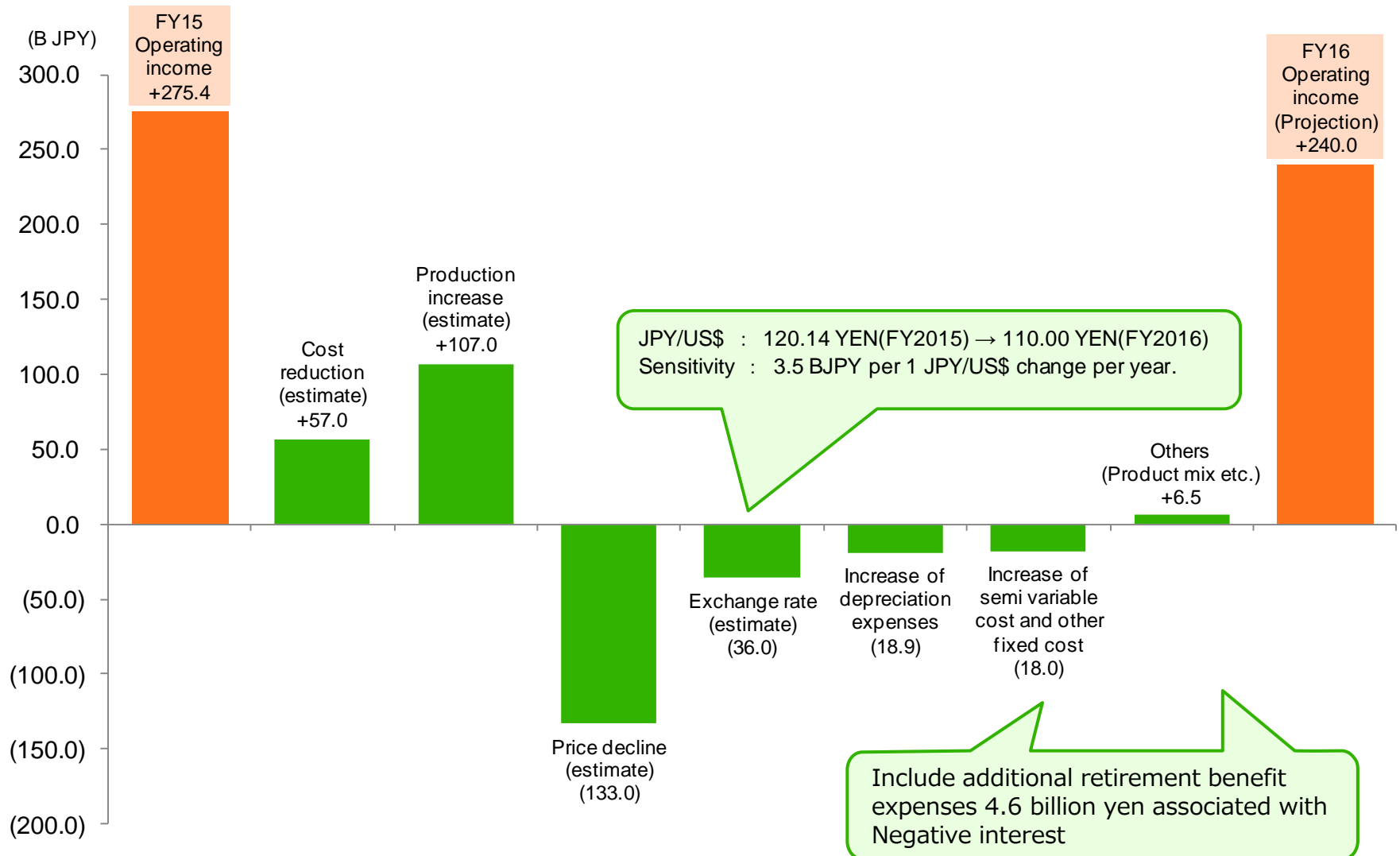
FY2016 Projections (Year-on-year change excluding amount affected by exchange rates ※) (YoY growth ratio)
+5%
+9%
(1%)
+10%
3%
+7%

※The above percentage points are that we assumed exchange rate condition the same as FY2015

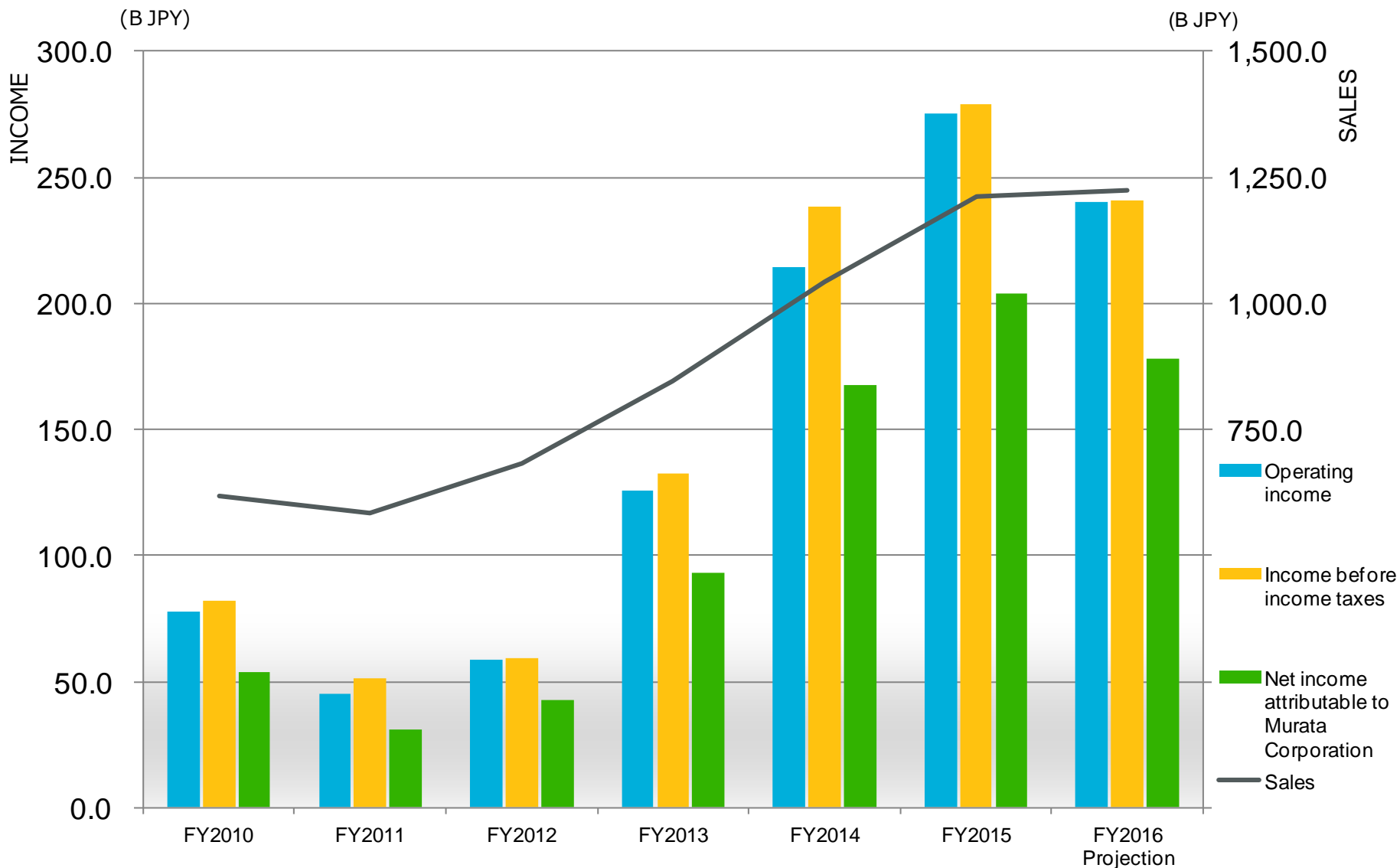
Projected Financial Results for FY2016

	FY2015 Actual		1st Half		2nd Half		FY2016 Projections		Change	
	(B JPY)	(%)	(B JPY)	(B JPY)	(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)
Net sales	1210.8	100.0	620.0	605.0	1225.0	100.0	+14.2	+1.2		
Operating income	275.4	22.7	125.0	115.0	240.0	19.6	(35.4)	(12.9)		
Income before income taxes	279.2	23.1	126.0	115.0	241.0	19.7	(38.2)	(13.7)		
Net income attributable to Murata Corporation	203.8	16.8	93.0	85.0	178.0	14.5	(25.8)	(12.6)		
Average exchange rates Yen/US dollar	120.14				110.00					

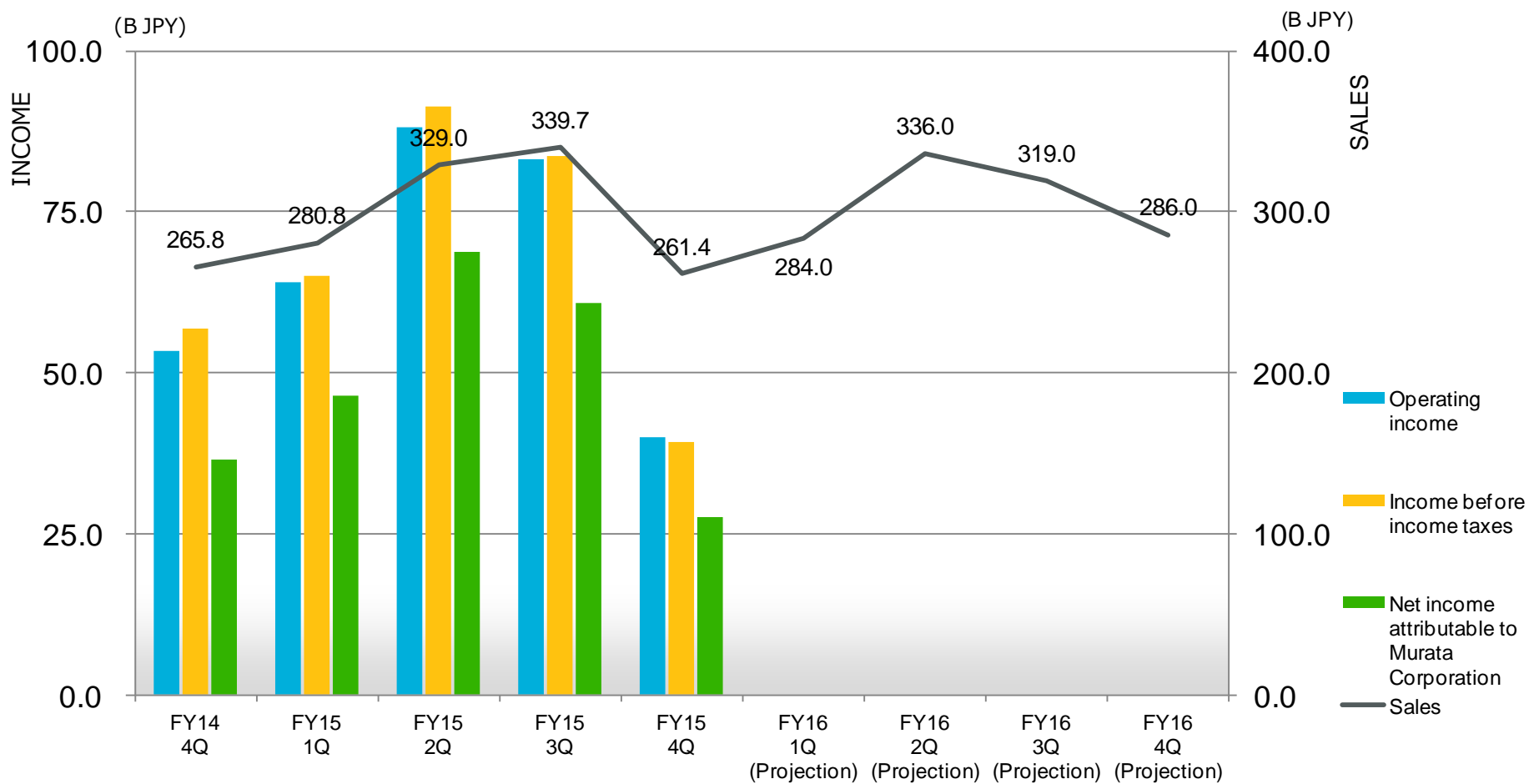
Breakdown of Operating Income Changes FY2015 to FY2016



Projected Financial Results for FY2016



Quarterly Financial Results



Projected Financial Results for FY2016

	FY2015 Actual	FY2016 Projections
Depreciation and amortization	99.1 B JPY	118.0 B JPY
R & D expenses	78.0 B JPY	90.0 B JPY
Capital expenditures	172.5 B JPY	160.0 B JPY
Average exchange rate (JPY/US\$)	120.14	110.00
Average exchange rate (JPY/EUR)	132.57	120.00

Dividends per Share

FY2016 projected annual dividends per share
220 JPY per share
(Interim: 110 JPY per share, Year-end: 110 JPY per share)
*10 yen increase of year-end dividend per share

FY2015 annual dividends per share
210 JPY per share
(Interim: 100 JPY per share, Year-end: 110 JPY per share)

Note: The above projections are based on our view of the current business environment and our projections for FY2016.

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

