

Earnings Release Conference First Quarter of FY2019 (April 1, 2019 to June 30, 2019)

July 31, 2019

Murata Manufacturing Co., Ltd.



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

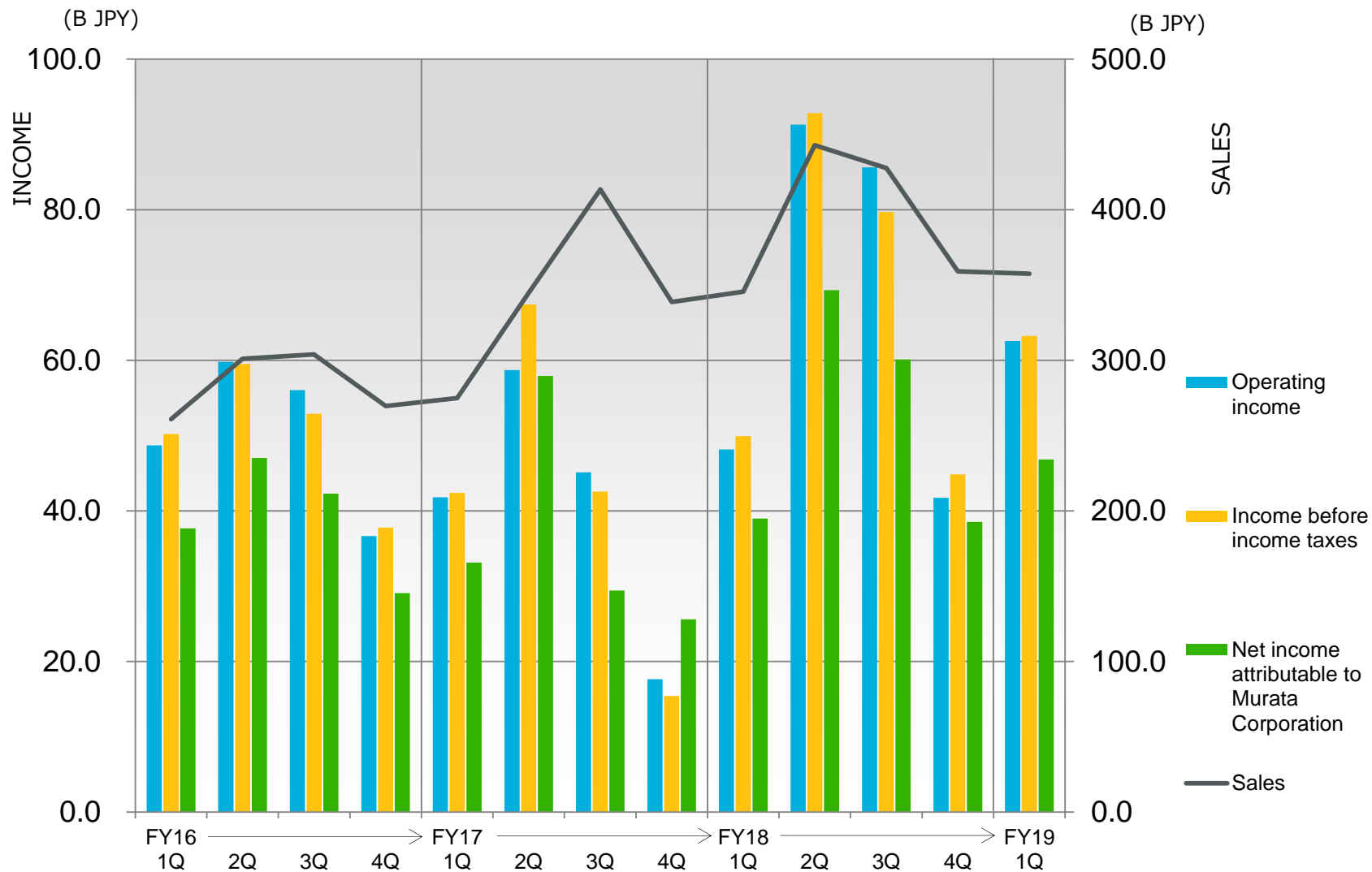
1. First Quarter of FY2019

From April 1, 2019 to June 30, 2019
Consolidated Basis

Topics of Financial Results for FY2019 First Quarter

- Net sales increased 3.5% year on year thanks to strong sales of capacitors used for car electronics, which helped mostly achieve the target.
- Operating income grew 29.9% year on year primarily as a result of an increase in the percentage of high-end products in the product mix and cost reduction. Operating income ratio rose by 3.6 percentage points year on year to 17.5%. The Q1 figure represents 54% of the forecast for H1.

Quarterly Financial Results

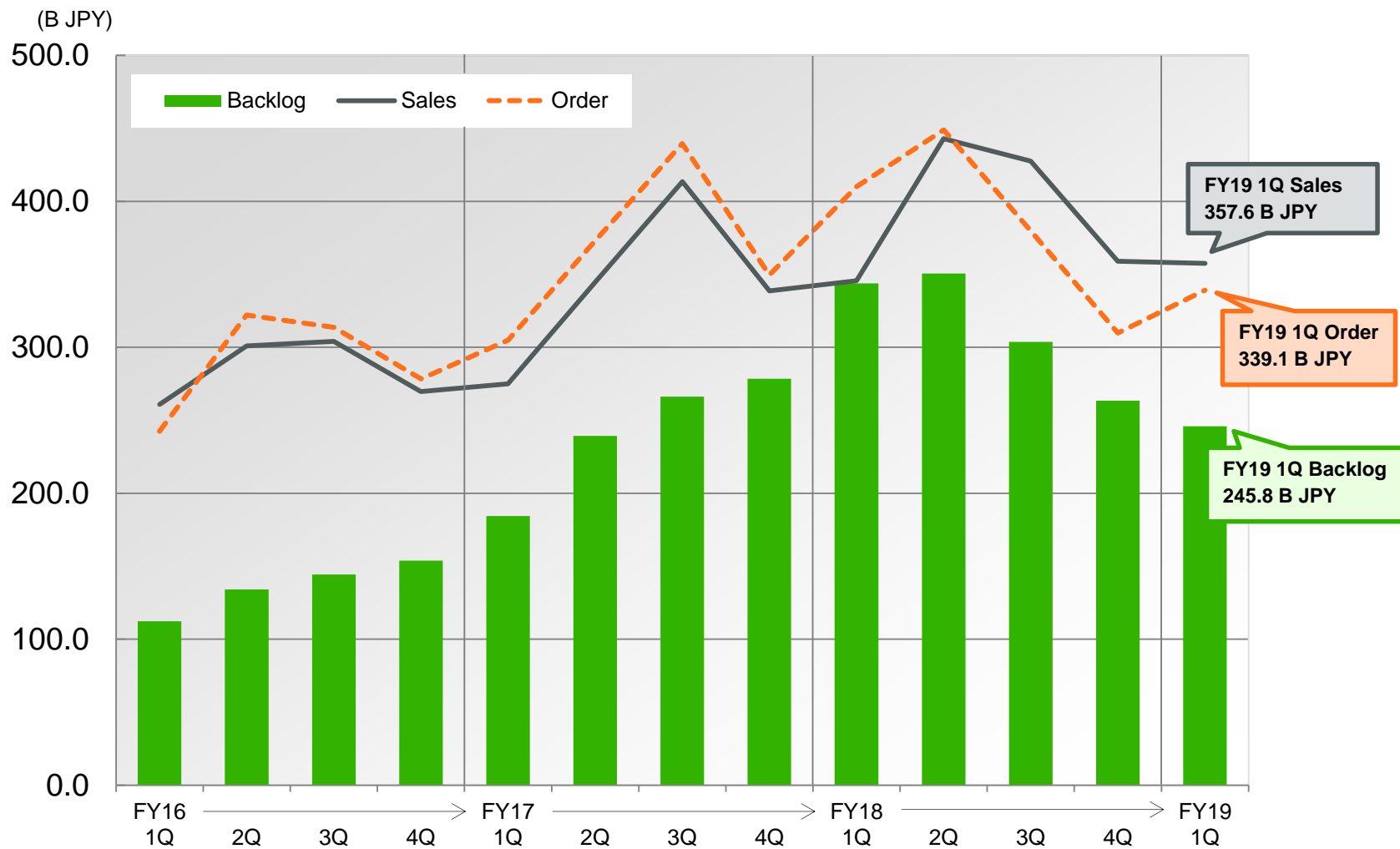


Financial Results Overview

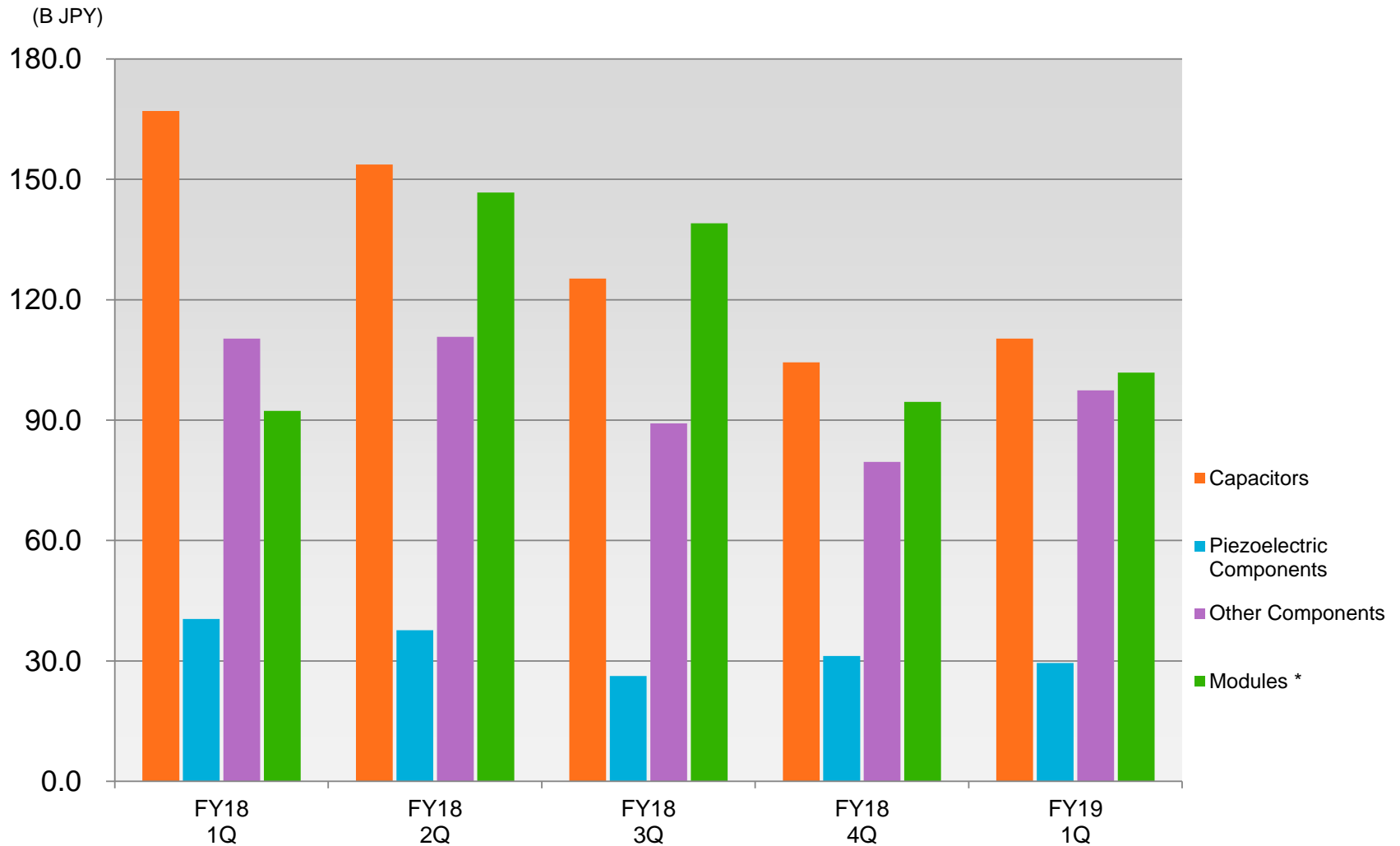
	FY2018 1st Quarter		FY2018 4th Quarter		FY2019 1st Quarter		Y on Y Change		Q on Q Change	
	(a)		(b)		(c)		(c) vs. (a)		(c) vs. (b)	
	(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)
Net sales	345.5	100.0	359.0	100.0	357.6	100.0	+12.0	+3.5	(1.5)	(0.4)
Operating income	48.2	13.9	41.7	11.6	62.6	17.5	+14.4	+29.9	+20.8	+49.9
Income before income taxes	49.9	14.5	44.9	12.5	63.2	17.7	+13.3	+26.6	+18.4	+41.0
Net income attributable to Murata Corporation	39.0	11.3	38.5	10.7	46.8	13.1	+7.8	+20.1	+8.3	+21.6

Average exchange rates Yen/US dollar	109.07	110.21	109.90
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Quarterly Sales, Order and Backlog



Orders by Product



* "Communication Modules" and "Power supplies and Other modules" were reclassified into "Modules".

Sales by Product

	FY2018 1st Quarter		FY2018 4th Quarter		FY2019 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)	(%)
Capacitors	126.5	36.7	142.3	39.7	137.7	38.6	+11.2	+8.9	(4.5)	(3.2)
Piezoelectric Components	38.1	11.0	30.0	8.4	31.4	8.8	(6.6)	(17.4)	+1.4	+4.8
Other Components	93.8	27.2	90.9	25.4	92.4	25.9	(1.4)	(1.5)	+1.4	+1.6
Modules*	86.5	25.1	95.0	26.5	95.2	26.7	+8.8	+10.1	+0.2	+0.2
Net sales	344.8	100.0	358.2	100.0	356.7	100.0	+11.9	+3.5	(1.4)	(0.4)

* "Communication Modules" and "Power supplies and Other modules" were reclassified into "Modules".

Sales by Product FY19 First Quarter vs. FY18 Fourth Quarter

<p>Capacitors (3.2%)</p>	<p>Multilayer Ceramic Capacitors : Total sales decreased due to inventory adjustment of major clients and distributors despite an increase in the sales of MLCCs used for smartphones.</p>
<p>Piezoelectric Components +4.8%</p>	<p>SAW filters : Sales increased for new models of smartphones.</p>
<p>Other Components +1.6%</p>	<p>Inductors(Coil) and Connectors : Sales increased for smartphones and PCs.</p> <p>Lithium Ion Batteries : Sales of products used for power tools decreased despite growth in those for smartphones and PCs.</p>
<p>Modules* +0.2%</p>	<p>Multilayer resin substrates : Sales increased for high-end smartphones.</p> <p>Wireless modules : Sales fell due to lower demand for use in smartphones.</p>

* "Communication Modules" and "Power supplies and Other modules" were reclassified into "Modules".

Sales by Application

	FY2018 1st Quarter		FY2018 4th Quarter		FY2019 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)	(%)
AV	17.3	5.0	15.0	4.2	16.9	4.7	(0.4)	(2.5)	+1.8	+12.0
Communication	157.4	45.6	154.6	43.2	163.9	46.0	+6.5	+4.1	+9.3	+6.0
Computers and Peripherals	56.4	16.4	59.5	16.6	58.6	16.4	+2.1	+3.8	(0.9)	(1.6)
Automotive Electronics	59.6	17.3	68.5	19.1	66.8	18.7	+7.2	+12.1	(1.7)	(2.4)
Home Electronics and Others	54.1	15.7	60.6	16.9	50.6	14.2	(3.4)	(6.4)	(10.0)	(16.4)
Net sales	344.8	100.0	358.2	100.0	356.7	100.0	+11.9	+3.5	(1.4)	(0.4)

*Based on our estimate

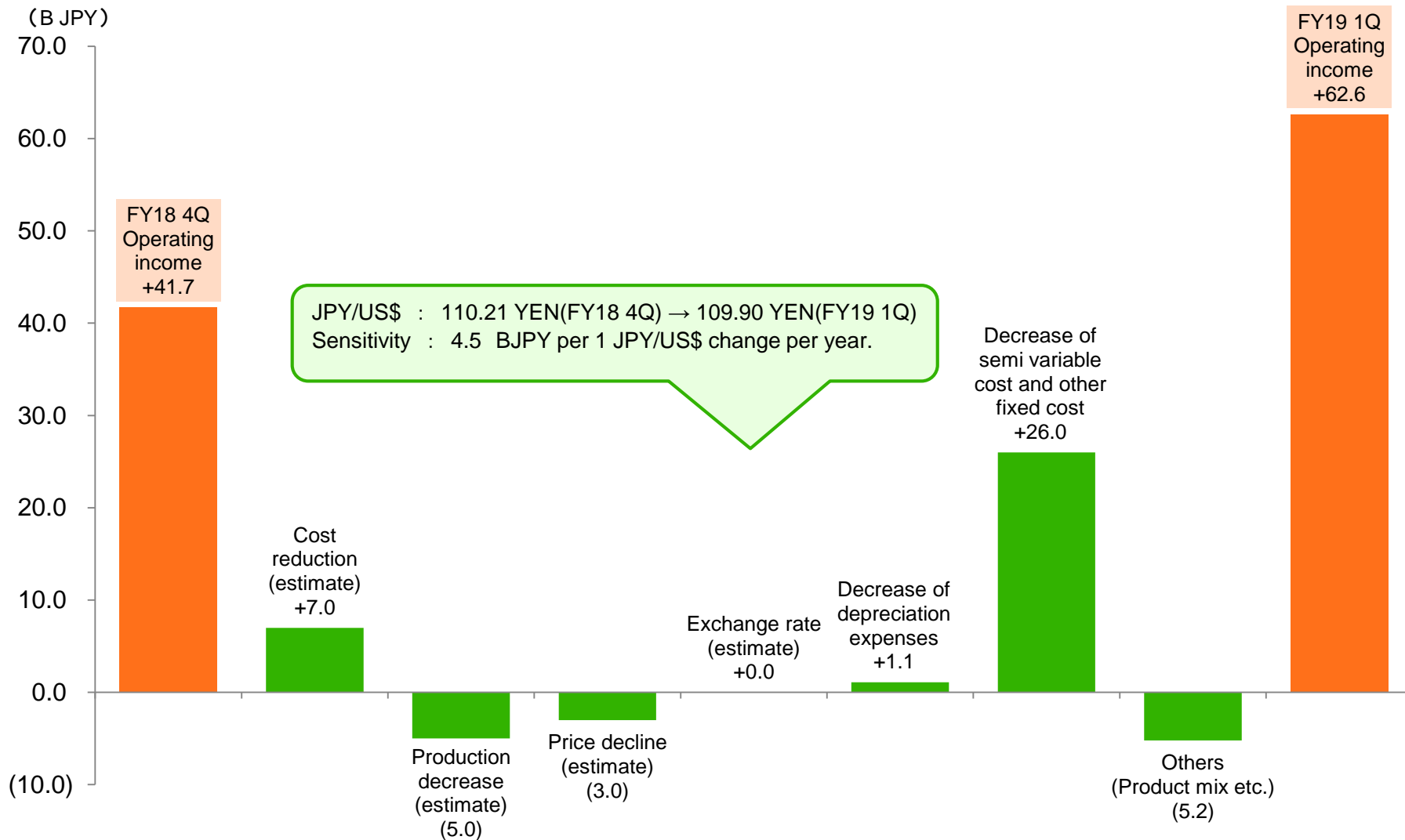
Sales by Application FY19 First Quarter vs. FY18 Fourth Quarter



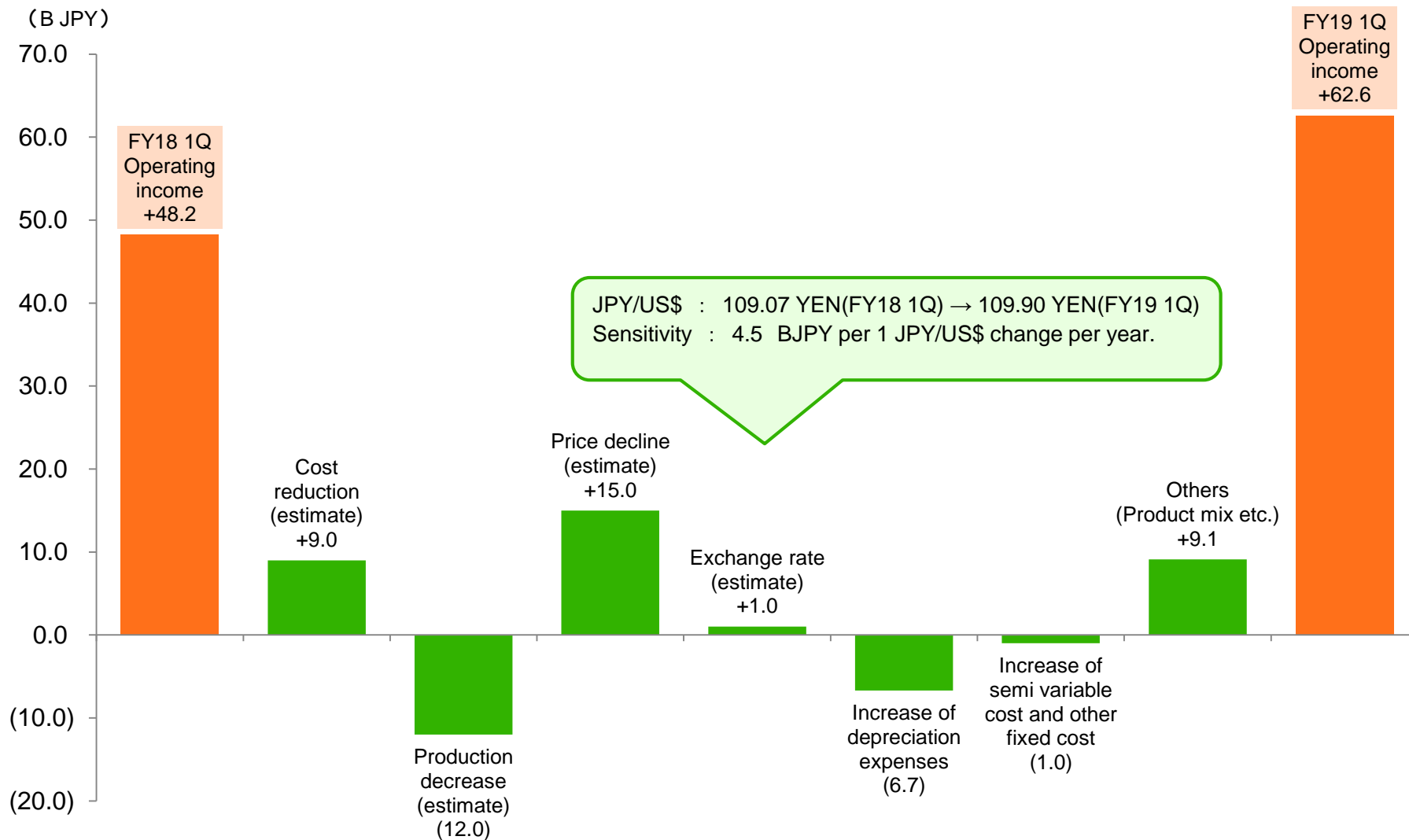
<p>AV +12.0%</p>	<p>Increased sales of lithium ion batteries and MLCCs for video game consoles.</p>
<p>Communication +6.0%</p>	<p>Increased sales of multilayer resin substrates, MLCCs and SAW filters for smartphones.</p> <p>Weaker sales of wireless modules for smartphones.</p>
<p>Computers and Peripherals (1.6%)</p>	<p>Weaker sales of MLCCs for tablet PCs.</p> <p>Increased sales of MLCCs and lithium-ion batteries for notebook PCs.</p>
<p>Automotive Electronics (2.4%)</p>	<p>Sales of MLCCs for automotive decreased due to inventory adjustment of major clients and distributors.</p> <p>Weaker sales of lithium-ion batteries for electric bicycles.</p>

*Based on our estimate

Breakdown of Operating Income Changes FY18 Fourth Quarter to FY19 First Quarter



Breakdown of Operating Income Changes FY18 First Quarter to FY19 First Quarter



2. Projected Financial Results for FY2019

(From April 2019 to March 2020)

Projected Financial Results for FY2019

	FY2018 Actual		1st Half		2nd Half		FY2019 Projections		Change	
	(B JPY)	(%)	(B JPY)	(B JPY)	(B JPY)	(%)	(B JPY)	(%)		
Net sales	1575.0	100.0	765.0	815.0	1580.0	100.0	+5.0	+0.3		
Operating income	266.8	16.9	115.5	104.5	220.0	13.9	(46.8)	(17.5)		
Income before income taxes	267.3	17.0	116.5	105.5	222.0	14.1	(45.3)	(17.0)		
Net income attributable to Murata Corporation	206.9	13.1	89.0	81.0	170.0	10.8	(36.9)	(17.8)		
Average exchange rates yen/US dollar	110.91				110.00					

*The Company did not revise the projected results for the year ending March 31, 2020, which were announced on April 26, 2019.

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

