

# Earnings Release Conference Third Quarter of FY2017 (October 1,2017 to December 31,2017)

January 31, 2018

Murata Manufacturing Co., Ltd.



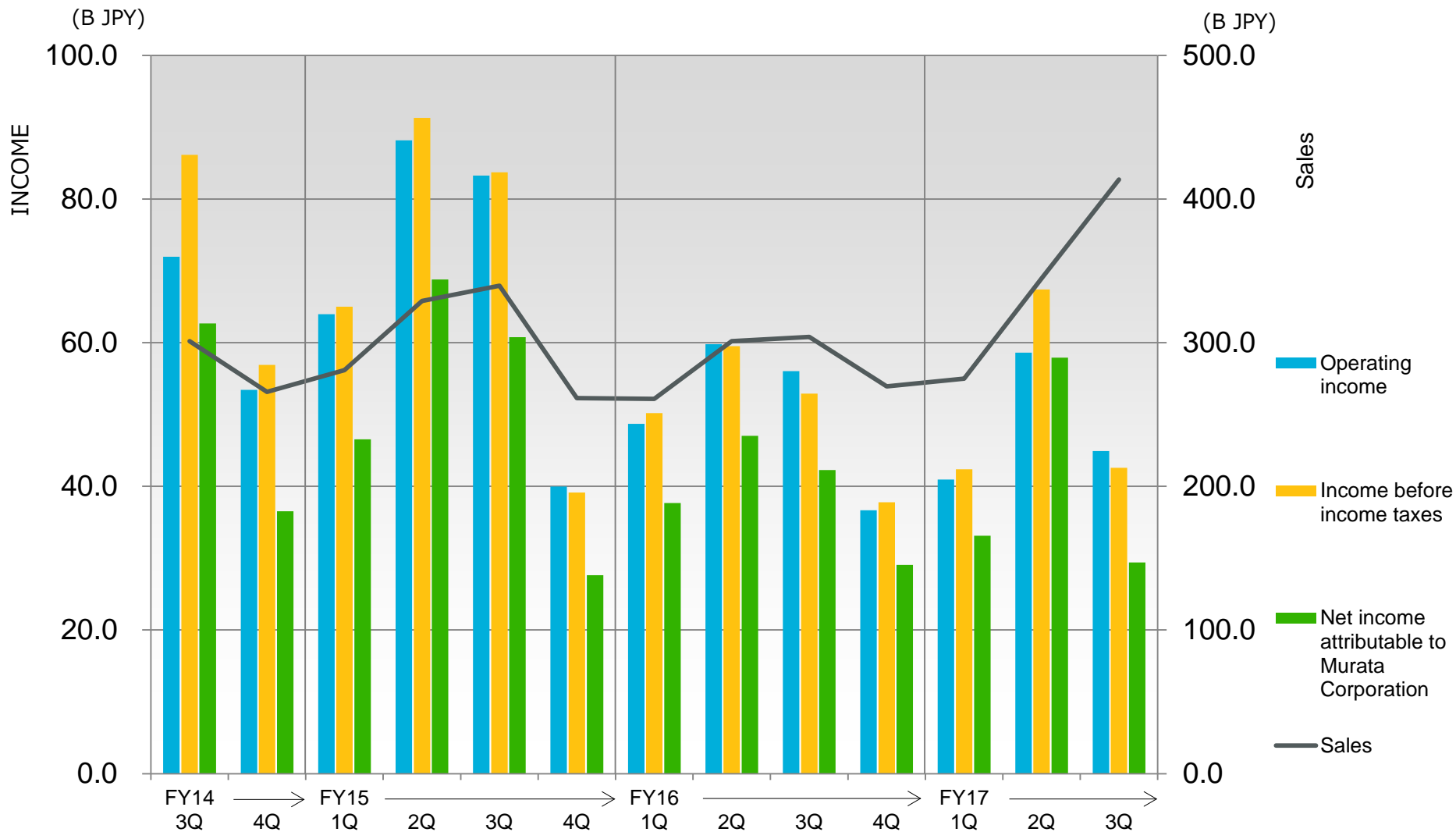
# 1. Third Quarter of FY2017

From October 1, 2017 to December 31, 2017  
Consolidated Basis

# Topics of Financial Results for FY2017 Third Quarter

- For the nine-month period under review, net sales achieved a 36.0% year-on-year increase. Reasons included substantial growth for components such as capacitors, multilayer resin substrates, and short-range wireless communication modules used in new smartphone models; brisk demand for car electronics components; and the addition of the net sales for the lithium-ion battery business whose acquisition process was completed on September 1, 2017.
- Operating income dipped 19.9% year-on-year, affected by an increase in production costs due to a delay in launching new products as well as higher depreciation and amortization. Operating income ratio was 10.9%.
- The operating income achievement ratio against project finance results for FY2017 announced on October 31<sup>th</sup> was 85%.

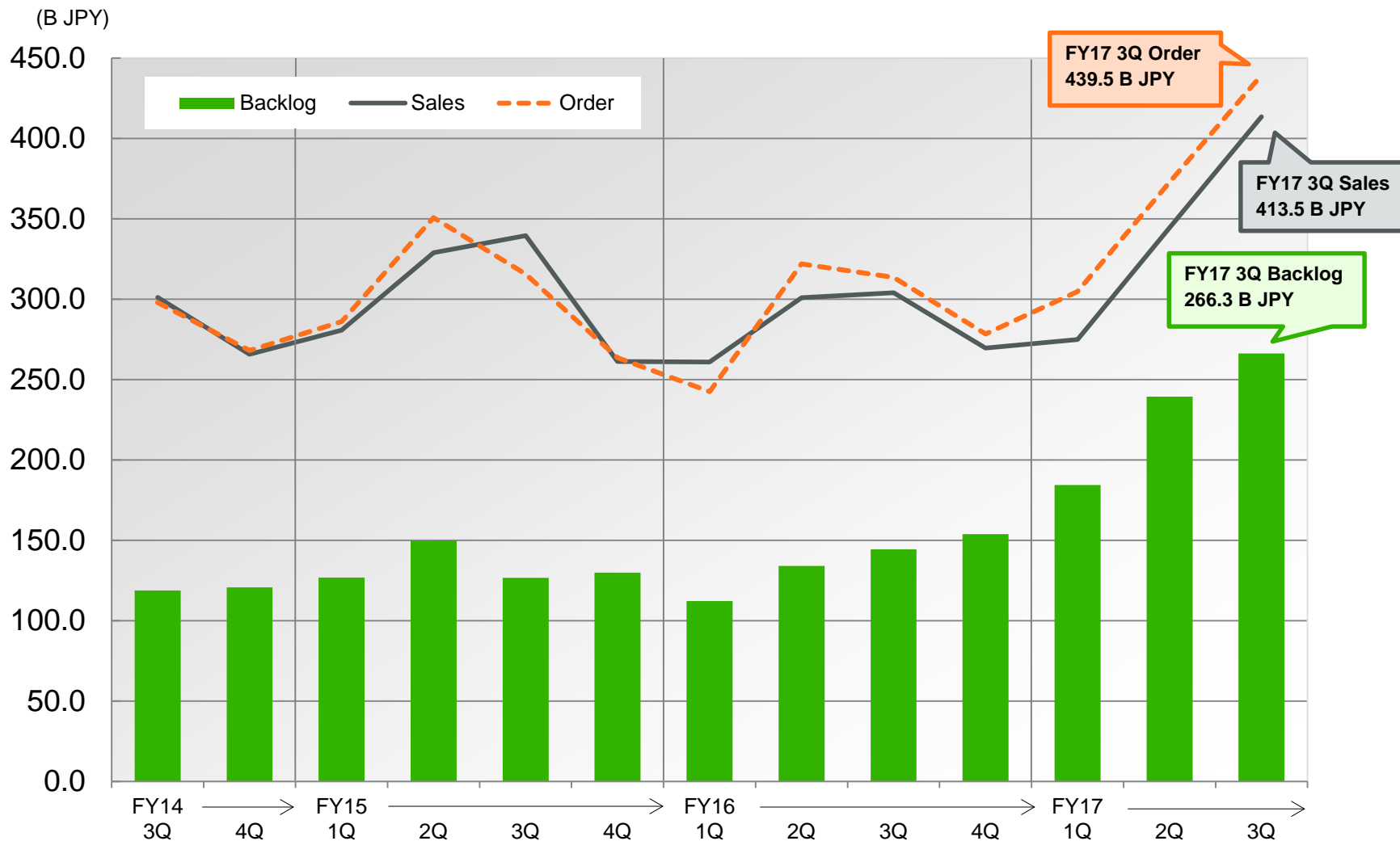
# Quarterly Financial Results



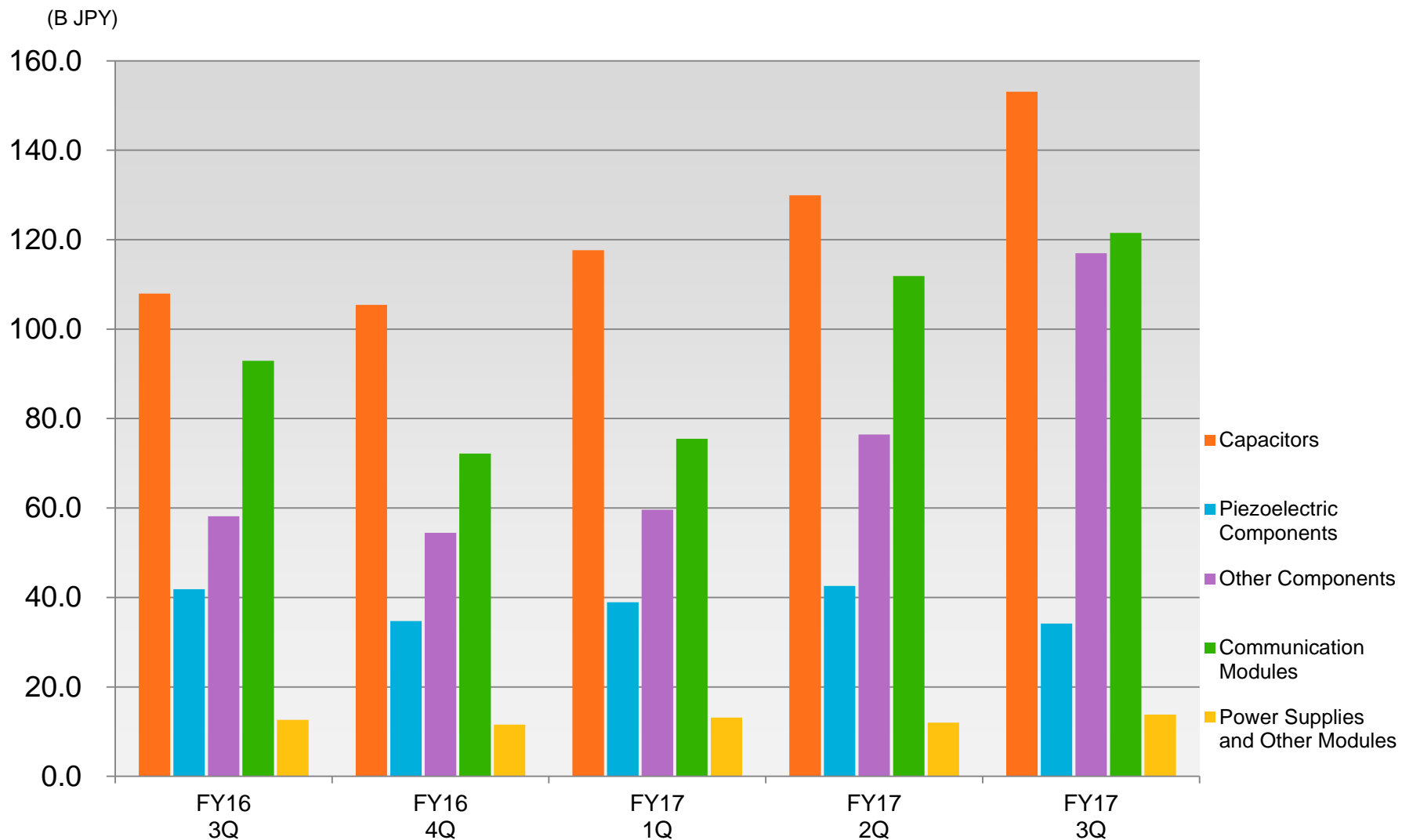
# Financial Results Overview

	FY2016 3rd Quarter		FY2017 2nd Quarter		FY2017 3rd 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	304.0	100.0	344.7	100.0	413.5	100.0	+109.5	+36.0	+68.9	+20.0
Operating income	56.1	18.4	58.6	17.0	44.9	10.9	(11.1)	(19.9)	(13.7)	(23.4)
Income before income taxes	52.9	17.4	67.4	19.6	42.6	10.3	(10.3)	(19.5)	(24.8)	(36.9)
Net income attributable to Murata Corporation	42.3	13.9	57.9	16.8	29.4	7.1	(12.9)	(30.4)	(28.5)	(49.2)

# Quarterly Sales, Order and Backlog



# Orders by Product



# Sales by Product

	FY2016 3rd Quarter		FY2017 2nd Quarter		FY2017 3rd 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	98.0	32.4	112.7	32.8	126.9	30.7	+28.9	+29.4	+14.2	+12.6
Piezoelectric Components	44.9	14.8	41.0	11.9	38.9	9.4	(6.1)	(13.5)	(2.1)	(5.2)
Other Components	59.2	19.5	73.0	21.2	105.5	25.6	+46.3	+78.3	+32.5	+44.5
Communication Modules	90.1	29.7	104.6	30.4	128.9	31.2	+38.7	+43.0	+24.3	+23.2
Power Supplies and Other Modules	11.0	3.6	12.5	3.7	12.5	3.1	+1.5	+13.9	+0	+0.0
Net sales	303.3	100.0	343.9	100.0	412.6	100.0	+109.4	+36.1	+68.8	+20.0



# Sales by Product FY17 Third Quarter vs. FY17 Second Quarter

<p>Capacitors +12.6%</p>	<p><b>Multilayer Ceramic Capacitors :</b> Increased sales significantly. Small-sized large capacity products for new smartphone models grew substantially and products for car electronics were also successful.</p>
<p>Piezoelectric Components (5.2%)</p>	<p><b>SAW Filters :</b> Suffered from sluggish sales due to reductions in the production of Chinese smartphones.</p>
<p>Other Components +44.5%</p>	<p><b>Lithium Ion Batteries :</b> Net sales first recognized following the completion of the acquisition process in September 2017.</p> <p><b>Inductors (Coil) :</b> RF chip coils for smartphones had lower net sales due to backlash from the increase in advance demand during the previous quarter.</p>
<p>Communication Modules +23.2%</p>	<p><b>Multilayer resin substrates / Wireless modules :</b> Sales increased for high-end smartphones.</p> <p><b>Circuit modules / RF sub module :</b> Lower sales due to a reduction of the Murata share of the market for components used in smartphones.</p>
<p>Power Supplies and Other Modules (Flat)</p>	<p><b>Power Supplies :</b> Products for industrial electrical equipment had steady sales.</p>

# Sales by Application

	FY2016 3rd Quarter		FY2017 2nd Quarter		FY2017 3rd 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	11.7	3.8	17.2	5.0	19.5	4.7	+7.8	+67.3	+2.3	+13.4
Communication	174.2	57.4	190.0	55.3	231.1	56.0	+56.9	+32.7	+41.1	+21.6
Computers and Peripher	45.8	15.1	51.9	15.1	52.7	12.8	+6.9	+15.2	+0.8	+1.5
Automotive Electronics	44.2	14.6	47.5	13.8	53.3	12.9	+9.2	+20.7	+5.8	+12.2
Home Electronics and Others	27.5	9.1	37.2	10.8	56.0	13.6	+28.5	+103.9	+18.8	+50.4
Net sales	303.3	100.0	343.9	100.0	412.6	100.0	+109.4	+36.1	+68.8	+20.0

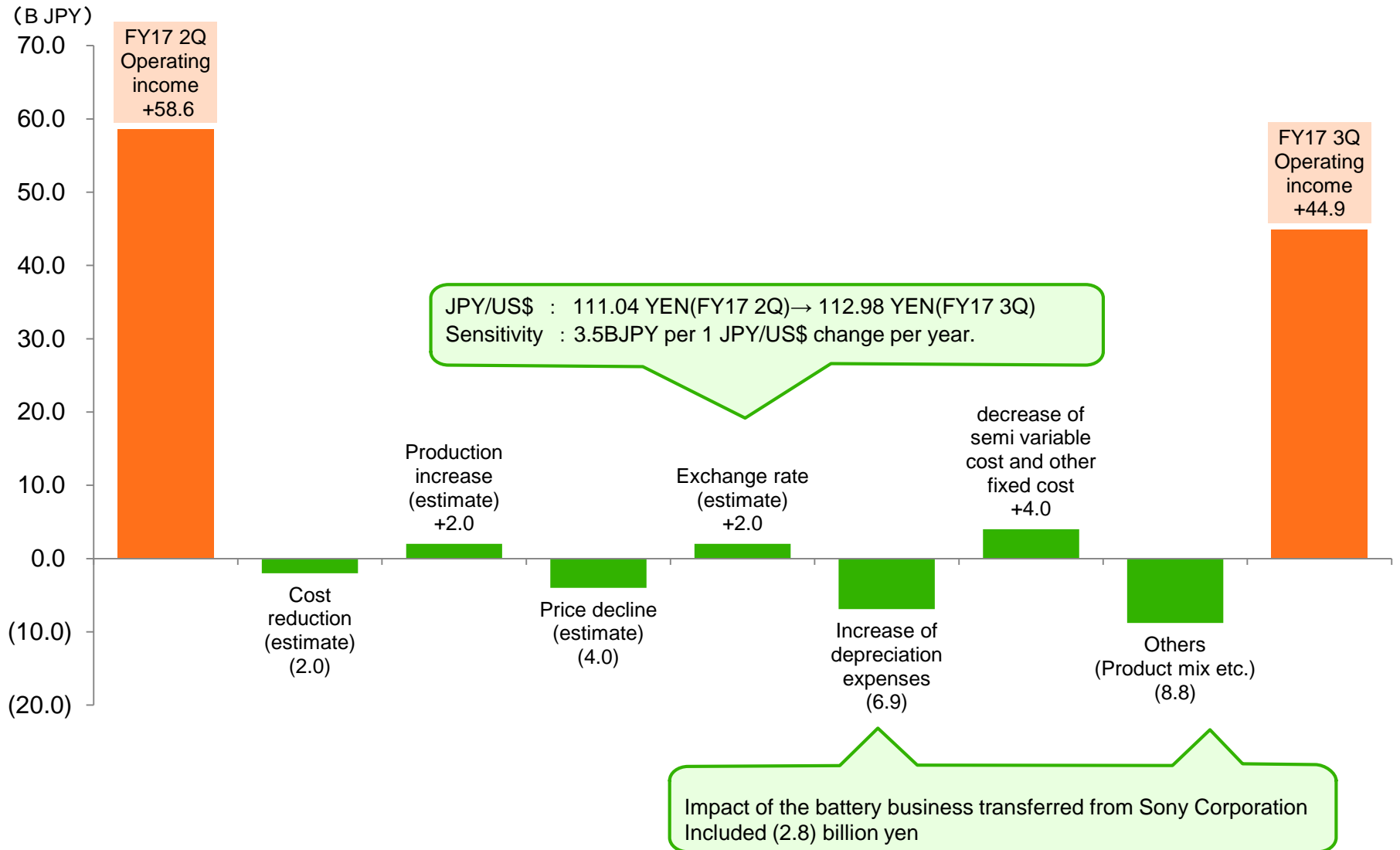
\*Based on our estimate

# Sales by Application FY17 Third Quarter vs. FY17 Second Quarter

<p>AV +13.4%</p>	<p>Sales of lithium-ion batteries for digital cameras and other applications were first recognized for a full quarter.</p>
<p>Communication +21.6%</p>	<p>Multilayer resin substrates, short-range wireless communication modules, and small-sized large capacity capacitors for high-end smartphones grew sharply.</p> <p>SAW filters for Chinese smartphones were affected by reductions in the number of production.</p>
<p>Computers and Peripherals +1.5%</p>	<p>Sales of lithium-ion batteries for Tablet PC and other applications were first recognized for a full quarter.</p> <p>Actuators for large capacity HDDs were successful.</p>
<p>Automotive Electronics +12.2%</p>	<p>Sales of MLCC increased thanks to advanced automotive electrification.</p> <p>Ultrasonic and MEMS sensors for safety devices achieved higher sales.</p>

\*Based on our estimate

# Breakdown of Operating Income Changes FY17 Second Quarter to FY17 Third Quarter



## 2. Projected Financial Results for FY2017

(From April 2017 to March 2018)

# Projected Financial Results for FY2017

	Previous (April 2017)			Revised (October 2017)					
	1st Half	2nd Half	FY2017 Projections	First Half Results		Second Half Projections		FY2017 Projections	
				(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)
Net sales	600.0	625.0	1,225.0	619.6	100.0	742.4	100.0	1,362.0	100.0
Operating income	108.0	118.0	226.0	99.6	16.1	70.4	9.5	170.0	12.5
Income before income taxes	110.0	120.0	230.0	109.8	17.7	70.2	9.5	180.0	13.2
Net income attributable to Murata Corporation	84.0	90.0	174.0	91.1	14.7	52.9	7.1	144.0	10.6
Average exchange rates Yen/US dollar	108.00			111.07		110.00		110.54	

\*The Company did not revise the projected results for the year ending March 31, 2018 which were announced on October 31, 2017.

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

