

# Earnings Release Conference Third Quarter of FY2018 (October 1, 2018 to December 31, 2018)

January 31, 2019

Murata Manufacturing Co., Ltd.



# 1. Third Quarter of FY2018

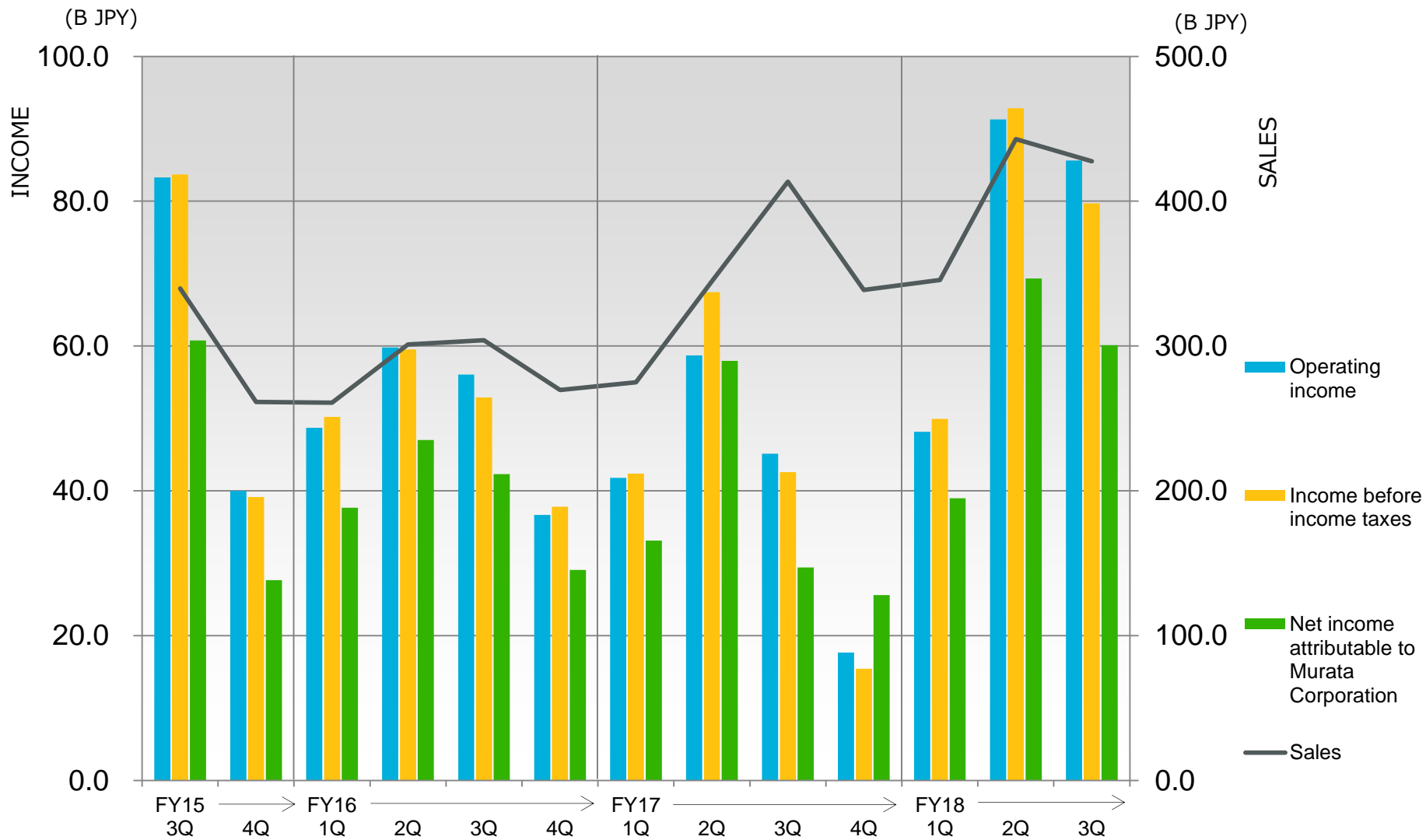
From October 1, 2018 to December 31, 2018  
Consolidated Basis

# Topics of Financial Results for FY2018 Third Quarter

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- Net sales for Q3 posted 3.4% growth year-on-year. Despite weaker demand for products used in high-end smartphones, components, and in particular capacitors, generated significantly higher demand in car electronics due to further progress in vehicle electrification. Sales of products for PCs and base stations also increased.
- Operating income posted a substantial 89.9% increase year-on-year, primarily due to higher sales of new products, improvement in productivity, and lower depreciation and amortization. Operating income ratio was 20.0%.
- Operating income for April to December represents 82% of the full-year forecast.

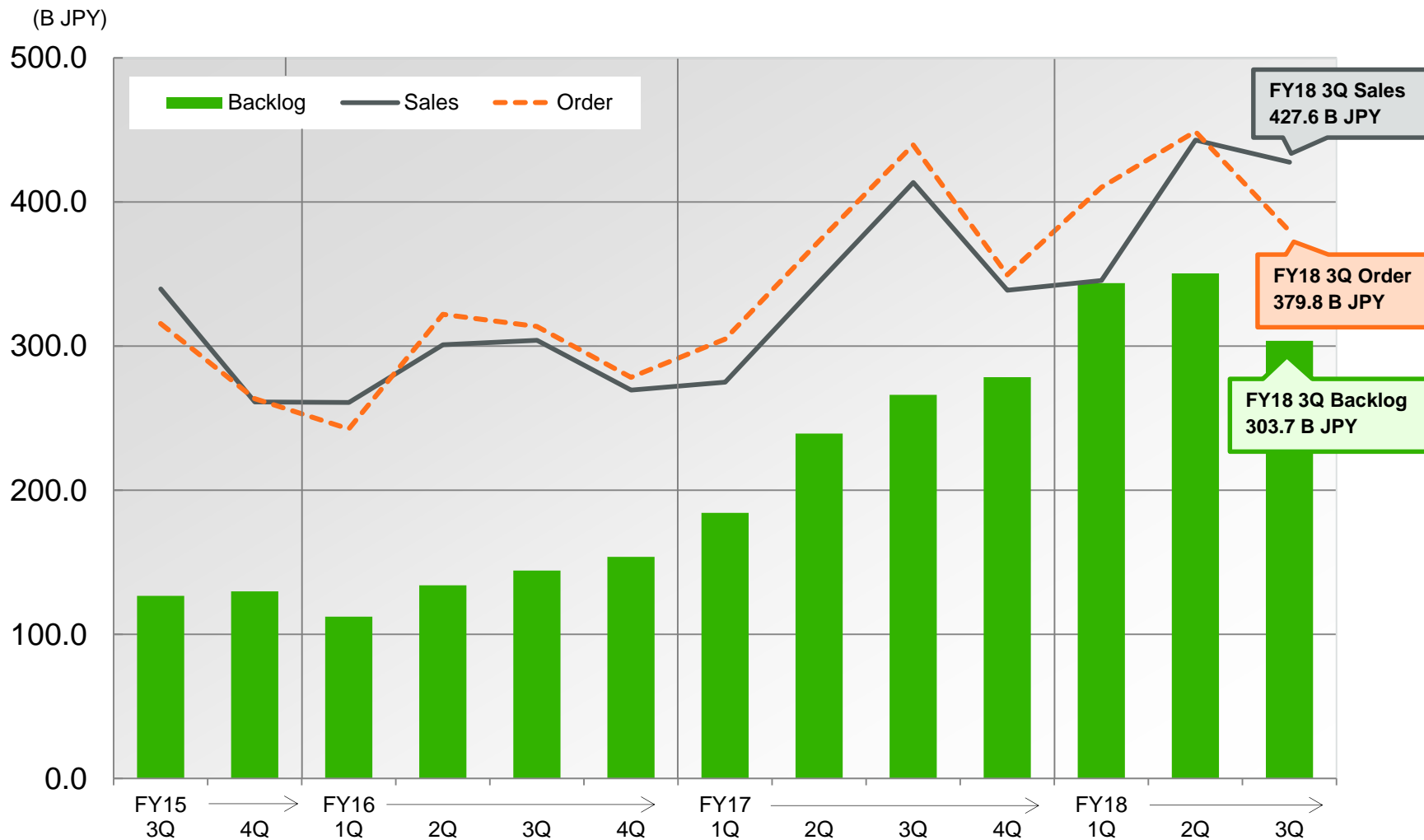
# Quarterly Financial Results



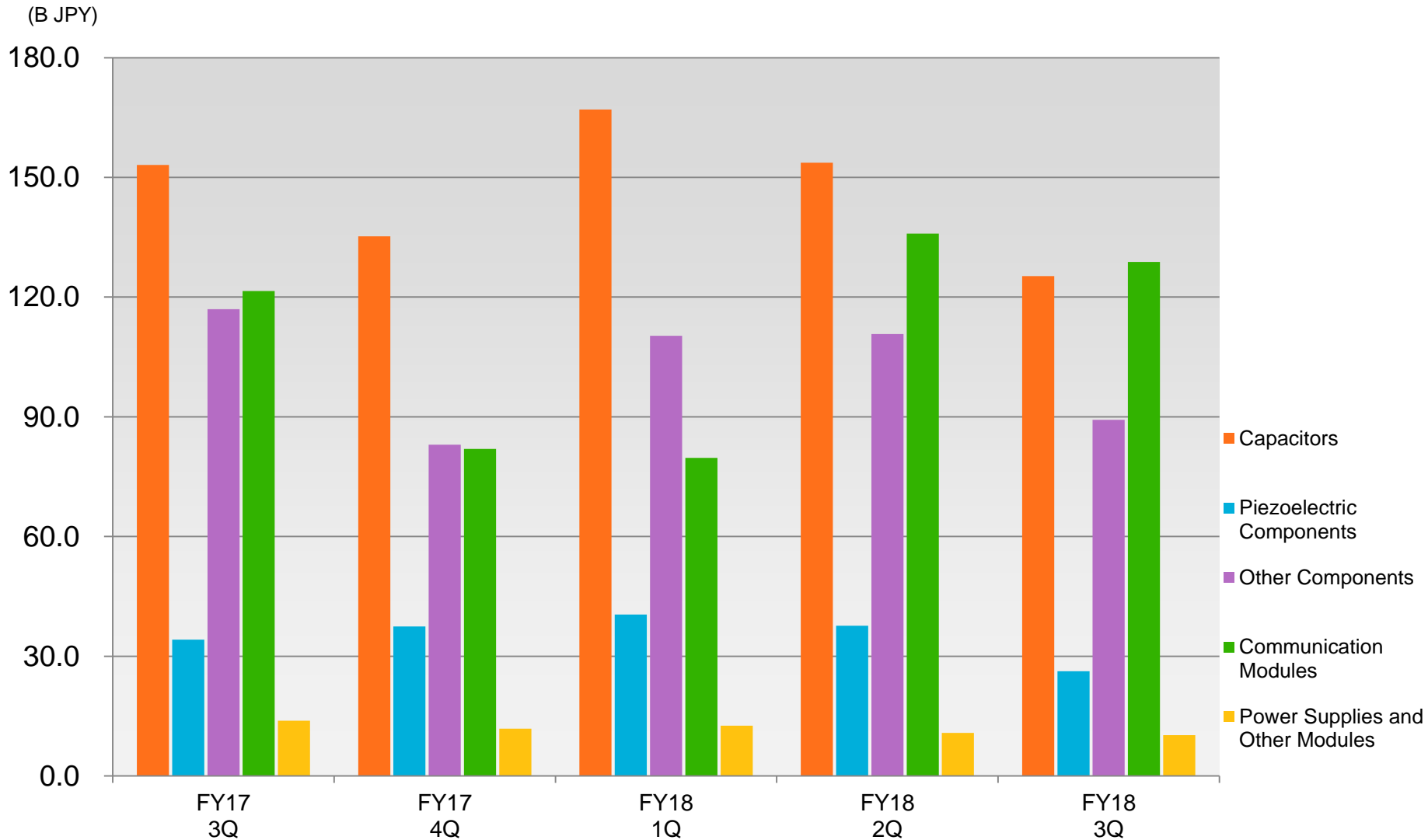
# Financial Results Overview

	FY2017 3rd Quarter		FY2018 2nd Quarter		FY2018 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	413.5	100.0	442.9	100.0	427.6	100.0	+14.1	+3.4	(15.3)	(3.4)
Operating income	45.1	10.9	91.3	20.6	85.6	20.0	+40.5	+89.8	(5.7)	(6.2)
Income before income taxes	42.6	10.3	92.8	21.0	79.7	18.6	+37.1	+87.2	(13.1)	(14.2)
Net income attributable to Murata Corporation	29.4	7.1	69.3	15.7	60.1	14.1	+30.7	+104.3	(9.2)	(13.3)

# Quarterly Sales, Order and Backlog



# Orders by Product



# Sales by Product

	FY2017 3rd Quarter		FY2018 2nd Quarter		FY2018 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	126.9	30.7	147.2	33.3	158.3	37.1	+31.4	+24.8	+11.1	+7.6
Piezoelectric Components	38.9	9.4	38.5	8.7	32.1	7.5	(6.8)	(17.5)	(6.4)	(16.7)
Other Components	105.5	25.6	108.3	24.5	99.2	23.3	(6.3)	(5.9)	(9.0)	(8.4)
Communication Modules	128.9	31.2	137.1	31.0	126.9	29.7	(2.0)	(1.5)	(10.2)	(7.4)
Power Supplies and Other Modules	12.5	3.1	11.1	2.5	10.2	2.4	(2.4)	(18.8)	(9)	(8.3)
Net sales	412.6	100.0	442.1	100.0	426.6	100.0	+14.0	+3.4	(15.5)	(3.5)



# Sales by Product FY18 Third Quarter vs. FY18 Second Quarter

<p>Capacitors +7.6%</p>	<p><b>Multilayer Ceramic Capacitors :</b> Grew partly because products for car electronics were successful and partly because there was higher demand for medium/high-voltage capacitors for base stations.</p>
<p>Piezoelectric Components (16.7%)</p>	<p><b>SAW Filters :</b> Suffered a substantial drop due to reductions in the production of Chinese smartphones.</p>
<p>Other Components (8.4%)</p>	<p><b>Inductors (Coil) :</b> Decreased in reaction to the sales increase in inductors for smartphones during the previous quarter.</p> <p><b>Lithium Ion Batteries :</b> Sales fell due to lower demand for use in smartphones.</p>
<p>Communication Modules (7.4%)</p>	<p><b>Multilayer resin substrates / RF sub module :</b> Sales fell due to lower demand for modules used in high-end smartphones.</p>
<p>Power Supplies and Other Modules (8.3%)</p>	<p><b>Power Supplies :</b> Sales for office-automation equipment decreased.</p>

# Sales by Application

	FY2017 3rd Quarter		FY2018 2nd Quarter		FY2018 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	19.5	4.7	19.7	4.5	17.5	4.1	(2.0)	(10.4)	(2.2)	(11.3)
Communication	231.1	56.0	235.5	53.3	213.3	50.0	(17.8)	(7.7)	(22.2)	(9.4)
Computers and Peripherals	52.7	12.8	65.3	14.8	68.0	15.9	+15.2	+28.9	+2.6	+4.0
Automotive Electronics	53.3	12.9	63.0	14.1	66.0	15.5	+12.7	+23.8	+3.0	+4.8
Home Electronics and Others	56.0	13.6	58.6	13.3	61.9	14.5	+5.9	+10.5	+3.3	+5.6
Net sales	412.6	100.0	442.1	100.0	426.6	100.0	+14.0	+3.4	(15.5)	(3.5)

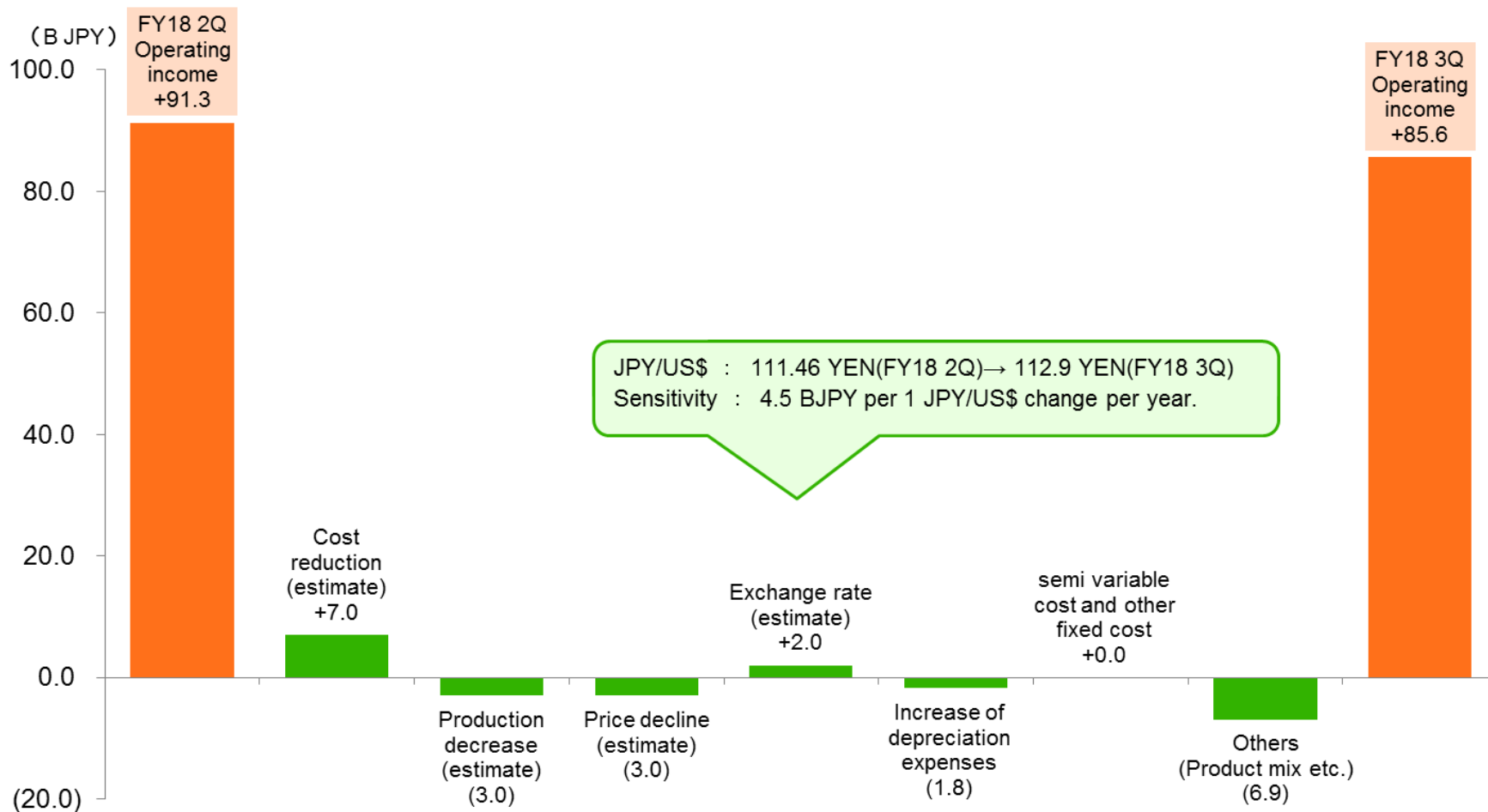
\*Based on our estimate

# Sales by Application FY18 Third Quarter vs. FY18 Second Quarter

<p>AV (11.3%)</p>	<p>Lower demand for lithium-ion secondary batteries for video game consoles.</p>
<p>Communication (9.4%)</p>	<p>Multilayer resin substrates, RF sub modules, and connectors for high-end smartphones suffered drops in sales due to lower demand.</p> <p>SAW filters for Chinese smartphones were affected by reductions in the number of production.</p>
<p>Computers and Peripherals +4.0%</p>	<p>Lithium-ion secondary batteries, short-range wireless communication modules, and capacitors for tablet PCs achieved strong sales.</p>
<p>Automotive Electronics +4.8%</p>	<p>Progress in electrification resulted in higher sales of in-vehicle capacitors.</p> <p>Ultrasonic and MEMS sensors for safety devices achieved higher sales.</p>

\*Based on our estimate

# Breakdown of Operating Income Changes FY18 Second Quarter to FY18 Third Quarter



## 2. Projected Financial Results for FY2018

(From April 2018 to March 2019)

# Projected Financial Results for FY2018

	Previous (April 2018)			Revised (October 2018)					
	1st Half	2nd Half	FY2018 Projections	First Half Results		Second Half Projections		FY2018 Projections	
				(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)
Net sales	753.0	822.0	1,575.0	788.4	100.0	831.6	100.0	1,620.0	100.0
Operating income	119.0	121.0	240.0	139.4	17.7	135.6	16.3	275.0	17.0
Income before income taxes	120.0	122.0	242.0	142.8	18.1	137.2	16.5	280.0	17.3
Net income attributable to Murata Corporation	89.0	91.0	180.0	108.3	13.7	101.7	12.2	210.0	13.0
Average exchange rates Yen/US dollar	105.00			110.27		110.00		110.14	

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

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

