

Earnings Release Conference Second Quarter of FY2015 (July 1, 2015 to September 30, 2015)

October 30, 2015

Murata Manufacturing Co., Ltd.



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

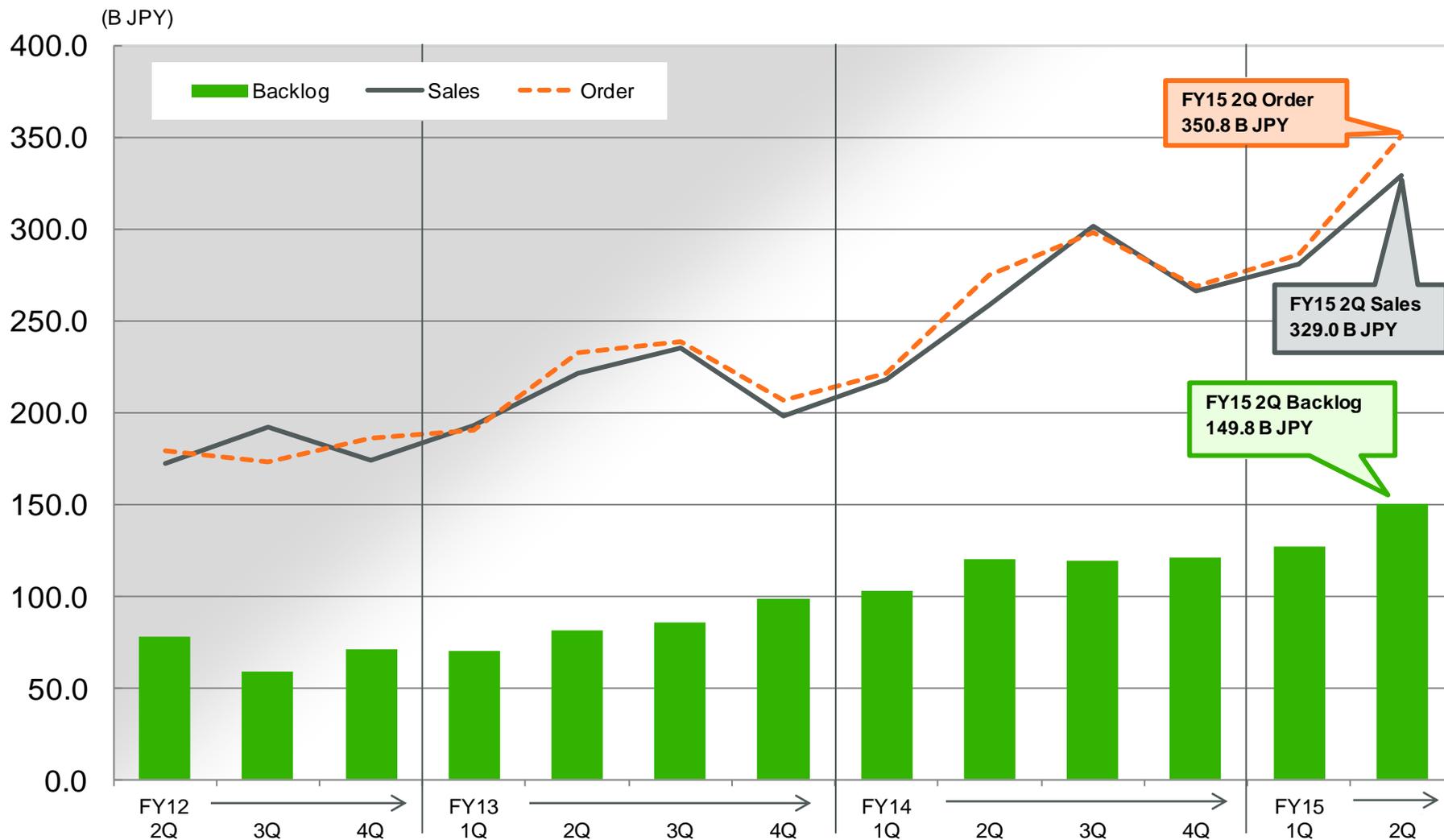
Topics of Financial Results for FY2015 Second Quarter

- Sales of the second quarter was the highest in our history owing to the increasing demands of high-valued new product for smartphones.
Sales of half year was also the highest in our history.
- Operating income of the second quarter was the highest since disclosure by quarterly base. Operating income ratio achieved 26.8%.
- Projected finance results for FY2015 announced on April 30th has been revised upward. Net income attributable to Murata Corporation was estimated 202 billion yen.

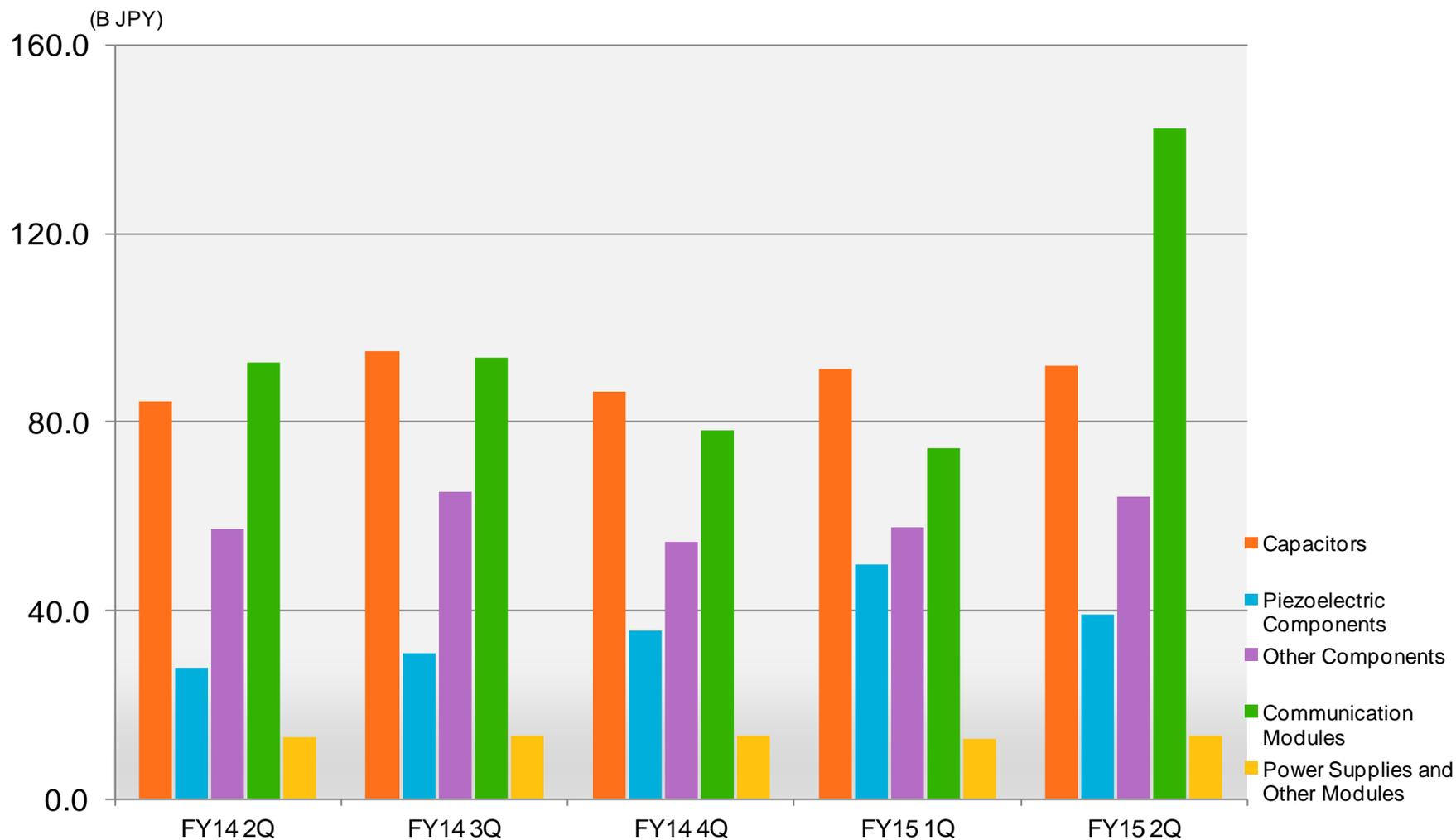
1. Second Quarter of FY2015

From July 1, 2015 to September 30, 2015
Consolidated Basis

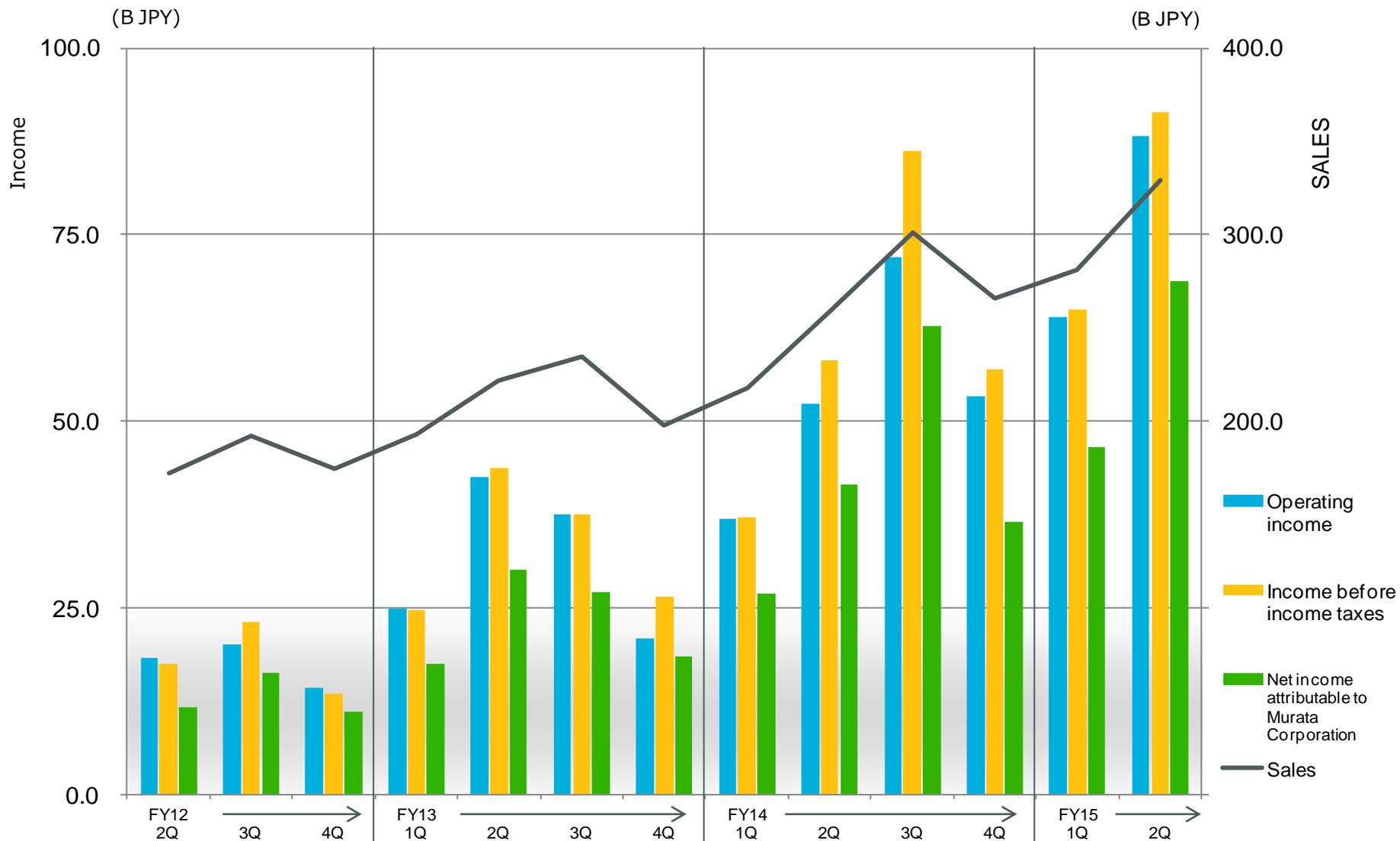
Quarterly Sales, Order and Backlog



Orders by Product



Quarterly Financial Results



Financial Results Overview

	FY2014 First Half		FY2015 First Half				Q on Q Change		Y on Y Change			
	(a)	(a)	(b)	(c)	(d)	(d)	(c) vs. (b)	(c) vs. (b)	(d) vs. (a)	(d) vs. (a)		
	(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)
Net sales	476.6	100.0	280.8	100.0	329.0	100.0	609.8	100.0	+48.2	+17.1	+133.2	+28.0
Operating income	89.1	18.7	64.0	22.8	88.2	26.8	152.1	24.9	+24.2	+37.9	+63.0	+70.7
Income before income taxes	95.3	20.0	65.0	23.1	91.3	27.8	156.3	25.6	+26.3	+40.5	+61.0	+64.0
Net income attributable to Murata Corporation	68.5	14.4	46.6	16.6	68.8	20.9	115.4	18.9	+22.2	+47.8	+46.9	+68.4

Sales by Product

	FY2014 First Half		FY2015 First Half				Q on Q Change		Y on Y Change	
	(a)	(b)	(c)	(d)	(e)	(f)	(g) vs. (b)	(h) vs. (a)	(i) vs. (a)	(j) vs. (a)
	(B JPY)	(%)	(B JPY)	(B JPY)	(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)
Capacitors	153.1	32.2	89.1	95.5	184.6	30.4	+6.3	+7.1	+31.5	+20.5
Piezoelectric Components	59.2	12.5	38.2	41.9	80.1	13.2	+3.6	+9.5	+20.9	+35.3
Other Components	103.1	21.7	56.6	63.8	120.4	19.8	+7.2	+12.8	+17.3	+16.8
Communication Modules	132.5	27.9	83.0	113.0	196.0	32.2	+30.0	+36.2	+63.4	+47.9
Power Supplies and Other Modules	26.9	5.7	13.0	13.7	26.7	4.4	+0.7	+5.8	(0.2)	(0.7)
Net sales	474.9	100.0	280.0	327.9	607.8	100.0	+47.9	+17.1	+133.0	+28.0

Sales by Product FY15 First Half vs. FY14 First Half

<p>Capacitors +20.5%</p>	<p>Multilayer ceramic capacitors : Sales of Ultra-compact MLCCs and High-capacitance MLCCs for smartphones and car electronics significantly increased.</p>
<p>Piezoelectric Components +35.3%</p>	<p>SAW filters : Sales greatly increased thanks to demand increase for smartphones in China and penetration of LTE.</p>
<p>Other Components +16.8%</p>	<p>Connector : Sales significantly increased for smartphones.</p> <p>Inductors (Coil) :Sales of High frequency coils greatly increased for smartphones.</p> <p>EMI suppression filter : Sales increased for automotive electronics and communication.</p>
<p>Communication Modules +47.9%</p>	<p>RF sub modules : Sales for smartphones strongly grew due to the impact of putting out new products.</p> <p>Wireless modules : Sales strongly increased for smartphones.</p>
<p>Power Supplies and Other Modules (0.7%)</p>	<p>Power Supplies :Sales decreased for car electronics(mainly car audio).</p>

Sales by Product

FY15 Second Quarter vs. FY15 First Quarter

<p>Capacitors +7.1%</p>	<p>Multilayer ceramic Capacitors : Sales of Ultra-compact MLCCs and High-capacitance MLCCs increased for wide range products for communication, gaming hardware and car electronics.</p>
<p>Piezoelectric Components +9.5%</p>	<p>SAW filters : Sales increased thanks to increase of LTE and advance of multi-band. Piezoelectric Sensors : Sales of Shock sensors and actuators increased for HDD.</p>
<p>Other Components +12.8%</p>	<p>Connector : Sales significantly increased for smartphones. Inductors (Coil) :Sales increased for smartphones. EMI suppression filter and Connector : Sales significantly increased for car electronics and gaming hardware.</p>
<p>Communication Modules +36.2%</p>	<p>RF sub modules :Sales for smartphones grew strongly due to the impact of putting out new products. Wireless modules :Sales strongly increased for smartphones.</p>
<p>Power Supplies and Other Modules +5.8%</p>	<p>Power Supplies :Sales for car electronics and base station increased.</p>

Sales by Application

	FY2014 First Half		FY2015 First Half				Q on Q Change		Y on Y Change	
	(a)	(b)	(c)	(d)	(c) vs. (b)	(d) vs. (a)	(c) vs. (b)	(d) vs. (a)		
	(B JPY)	(%)	(B JPY)	(B JPY)	(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)
AV	25.7	5.4	11.8	13.9	25.7	4.2	+2.1	+17.7	0	+0.1
Communication	240.3	50.6	164.0	201.5	365.4	60.1	+37.5	+22.9	+125.1	+52.1
Computers and Peripherals	82.8	17.4	39.2	45.2	84.4	13.9	+5.9	+15.1	+1.6	+2.0
Automotive Electronics	69.4	14.6	36.6	38.6	75.2	12.4	+2.0	+5.5	+5.8	+8.4
Home Electronics and Others	56.7	12.0	28.3	28.8	57.1	9.4	+0.4	+1.5	+0.4	+0.7
Net sales	474.9	100.0	280.0	327.9	607.8	100.0	+47.9	+17.1	+133.0	+28.0

* Based on our estimate

Sales by Application FY15 First Half vs. FY14 First Half

<p>AV +0.1%</p>	<p>Sales of High-capacitance MLCCs for gaming hardware and set-top box increased. Sales of Wireless modules for portable media player decreased.</p>
<p>Communication +52.1%</p>	<p>Sales of Wireless modules, RF sub modules, Ultra-compact MLCCs, High-capacitance MLCCs and Connector significantly increased thanks to increase of global LTE for smartphones. SAW filters, MLCCs and RF sub modules strongly grew thanks to shifting to LTE in China.</p>
<p>Computers and Peripherals +2.0%</p>	<p>Sales of High-capacitance MLCCs increased for SSD and printer. Sales of Wireless modules for tablets decreased.</p>
<p>Automotive Electronics +8.4%</p>	<p>Sales of MLCCs, Inductors (Coil) and EMI suppression filters increased thanks to advanced automotive electrification. Sales of MEMS sensors increased for safety devices (ESC).</p>

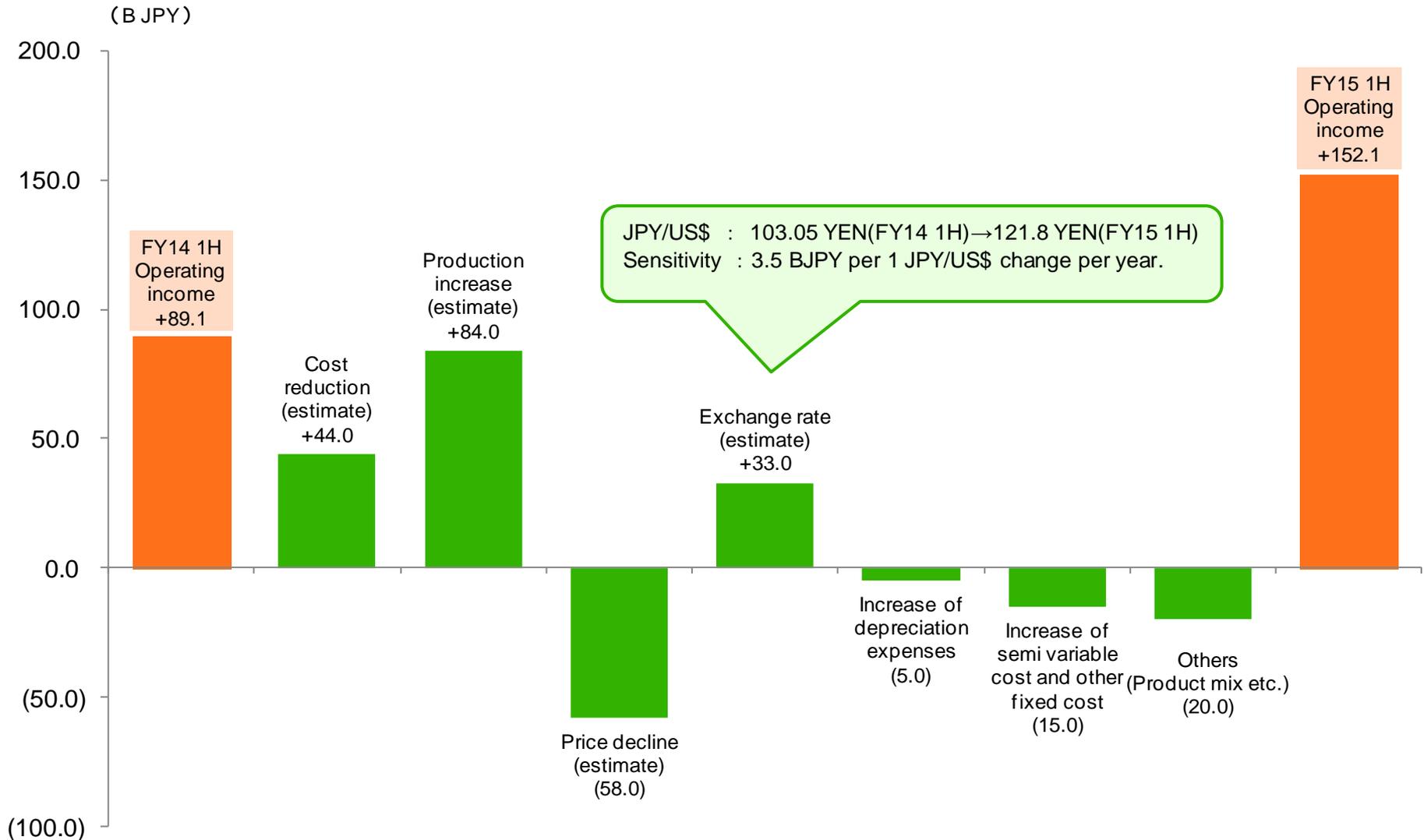
*Based on our estimate

Sales by Application FY15 Second Quarter vs. FY15 First Quarter

<p>AV +17.7%</p>	<p>Sales of High-capacitance MLCCs for gaming hardware and LCDTV greatly increased.</p>
<p>Communication +22.9%</p>	<p>Many kind of our products such as Wireless modules, RF sub modules, MLCCs, Connectors and SAW filter increased for new models of smartphones.</p>
<p>Computers and Peripherals +15.1%</p>	<p>Sales of RF sub modules and MLCCs for note PC increased. Sales of Shock sensors and Actuators for HDD increased.</p>
<p>Automotive Electronics +5.5%</p>	<p>Sales of MLCCs and EMI suppression filters increased thanks to advanced automotive electrification. Sales of MEMS sensors increased for safety devices (ESC).</p>

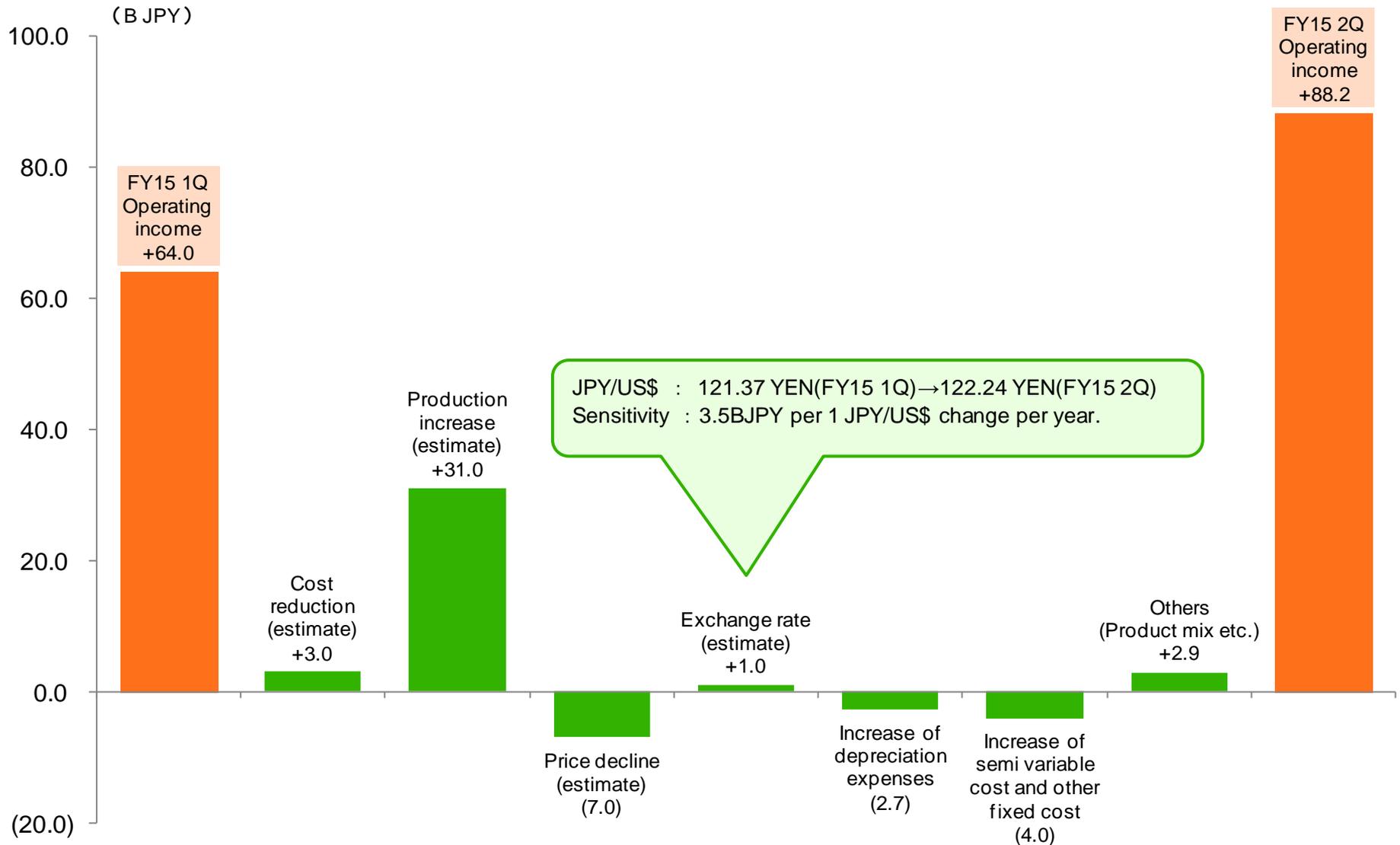
*Based on our estimate

Breakdown of Operating Income Changes FY14 First Half to FY15 First Half



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

Breakdown of Operating Income Changes FY15 First Quarter to FY15 Second Quarter



2. Projected Financial Results for FY2015

(From April 2015 to March 2016)

Projection of Demand (Communication)

	FY2014		FY2015 Projection		
Mobile Phones Total (units)	1,810 M	→	1,840 M	+2%	
2G	420 M	→	290 M	(31%)	
3G	790 M	→	680 M	(14%)	
LTE	600 M	→	870 M	+45%	
Smartphones	1,340 M	→	1,500 M	+12%	

Projection of Demand (PC, AV)

	FY2014		FY2015 Projection	
PCs (units)	520 M	→	470 M	(10%) 
Desktop	130 M	→	120 M	(5%) to (10%) 
Notebook	170 M	→	160 M	(5%) to (10%) 
Tablet	220 M	→	200 M	(5%) to (10%) 
Flat-Screen TVs (units)	210 M	→	210 M	Flat 

Projected Sales by Product

	FY2015 Projections (Growth Ratio against FY2014)	FY2015 Second Half Projections (Growth Ratio against First Half)
Capacitors	+12%	+2%
Piezoelectric Components	+20%	(17%)
Other Components	+8%	Flat
Communication Modules	+22%	(9%)
Power Supplies and Other Modules	+10%	+19%
Total	+15%	(4%)

Projected Sales by Application

	FY2015 Projections (Growth Ratio against FY2014)	FY2015 Second Half Projections (Growth Ratio against First Half)
AV	+3%	+1%
Communication	+24%	(9%)
Computers and Peripherals	(2%)	Flat
Automotive Electronics	+10%	+11%
Home Electronics and Others	+4%	+3%
Total	+15%	(4%)

* Based on our estimate

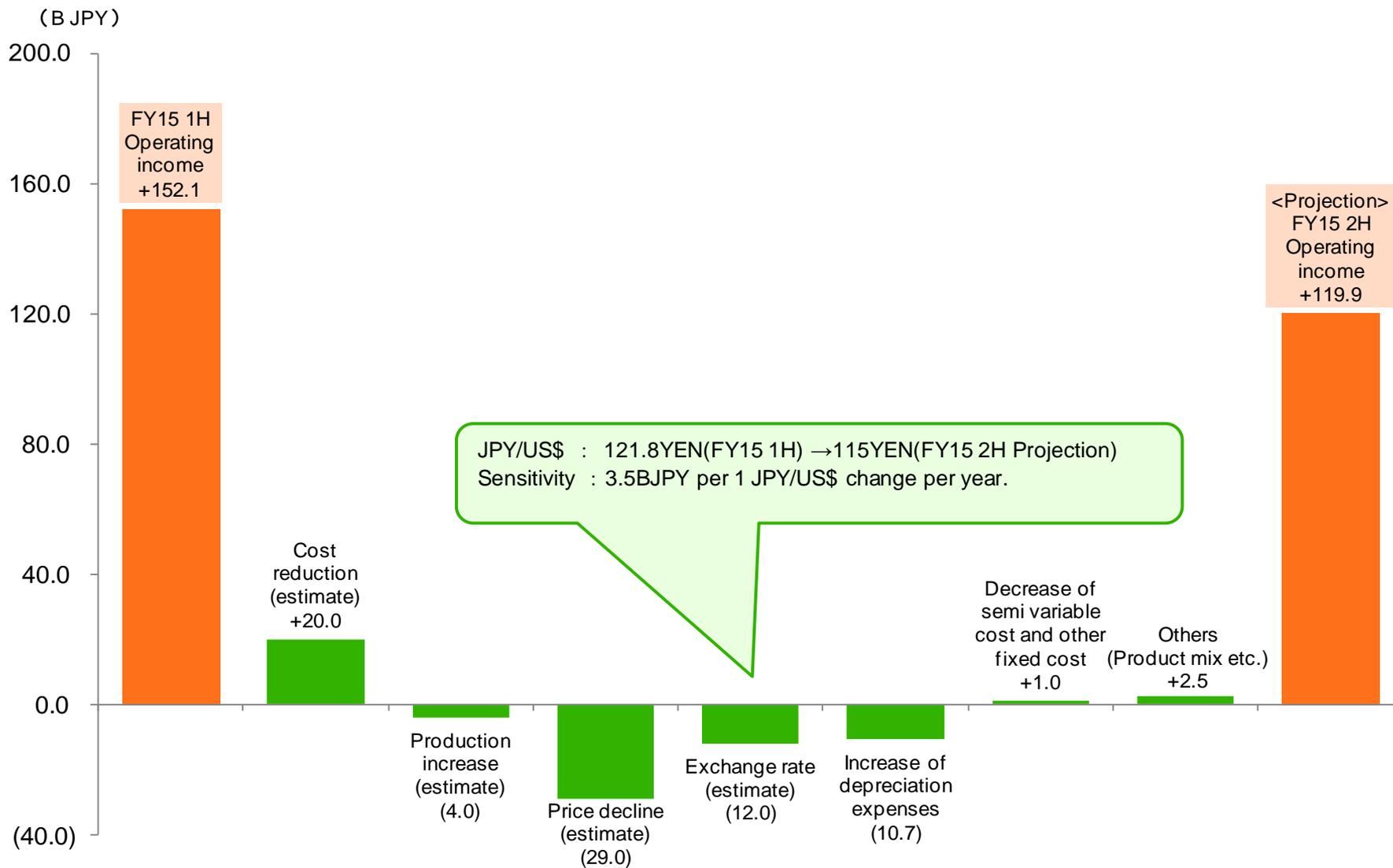
Projected Financial Results for FY2015

	Previous (April 2015)			Revised (October 2015)					
	First Half Projections	Second Half Projections	FY2015 Projections	First Half Results		Second Half Projections		FY2015 Projections	
				(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)
Net sales	572.0	588.0	1160.0	609.8	100.0	590.2	100.0	1,200.0	100.0
Operating income	130.0	120.0	250.0	152.1	24.9	119.9	20.3	272.0	22.7
Income before income taxes	132.0	120.0	252.0	156.3	25.6	119.7	20.3	276.0	23.0
Net income attributable to Murata Corporation	96.0	87.0	183.0	115.4	18.9	86.6	14.7	202.0	16.8

Projected Financial Results for FY2015

	FY2015 First Half Results	FY2015 Second Half Projections	FY2015 Projections
Depreciation and amortization	44.3 B JPY	55.7 B JPY	100.0 B JPY
R & D expenses	38.0 B JPY	36.0 B JPY	74.0 B JPY
Capital expenditures	88.4 B JPY	61.6 B JPY	150.0 B JPY
Average exchange rate (JPY/US\$)	121.80	115.00	
Average exchange rate (JPY/EUR)	135.07	130.00	

Breakdown of Operating Income Changes FY15 First Half to FY15 Second Half Projection



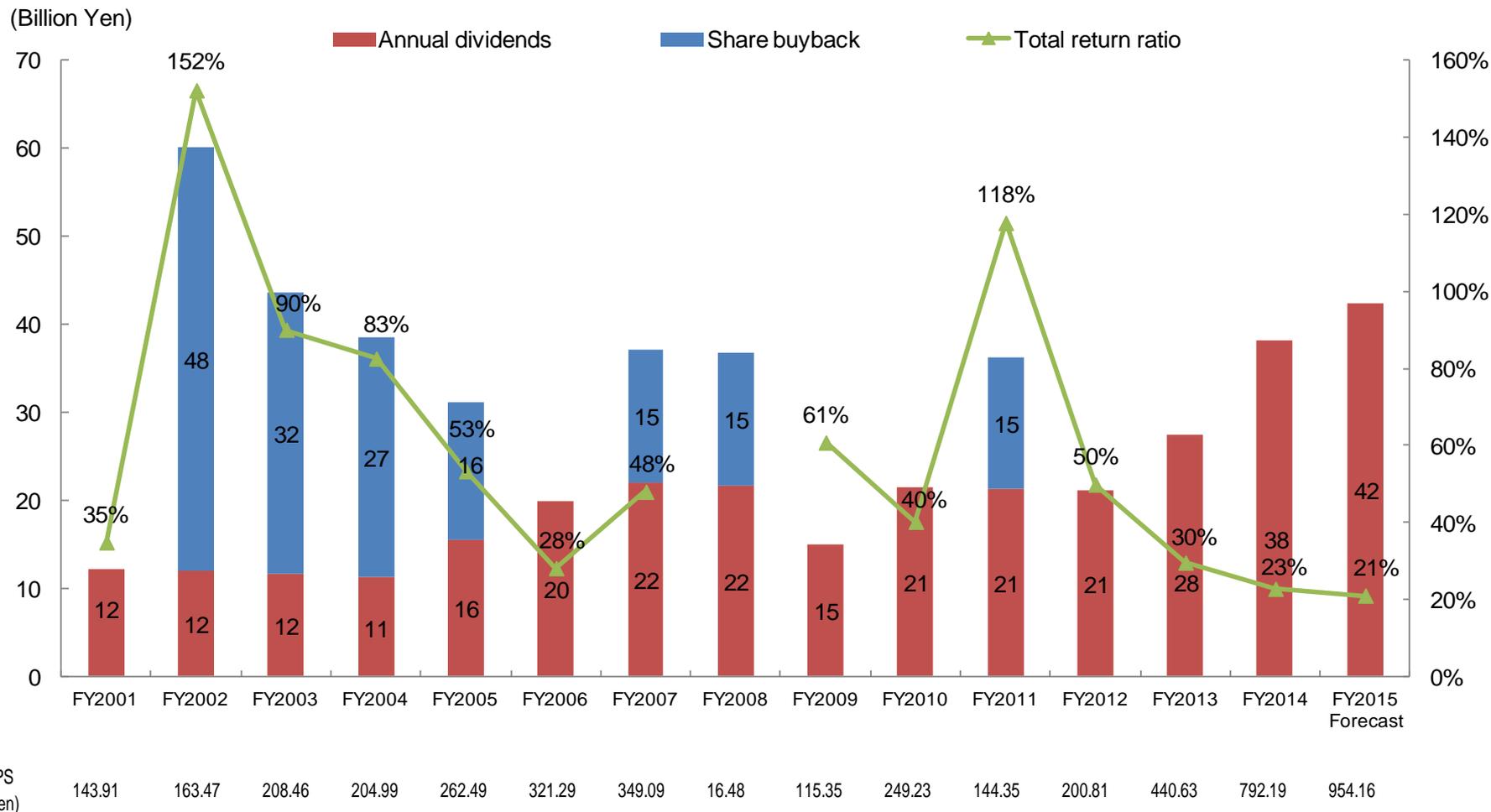
Dividends per Share

FY2015 projected annual dividends per share
200 JPY per share
(Interim: 100 JPY per share, Year-end: 100 JPY per share)
*20 yen increase of year-end dividend per share

FY2014 annual dividends per share
180 JPY per share
(Interim: 80 JPY per share, Year-end: 100 JPY per share)

Note: The above projections are based on our view of the current business environment and our projections for FY2015.

Return to Shareholders



Our basic policy of profit distribution to shareholders is to prioritize the sharing of gains through payment of dividends, and to steadily raise them by increasing profit per share.

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

