

Earnings Release Conference Third Quarter of FY2019 (October 1, 2019 to December 31, 2019)

February 3, 2020

Murata Manufacturing Co., Ltd.



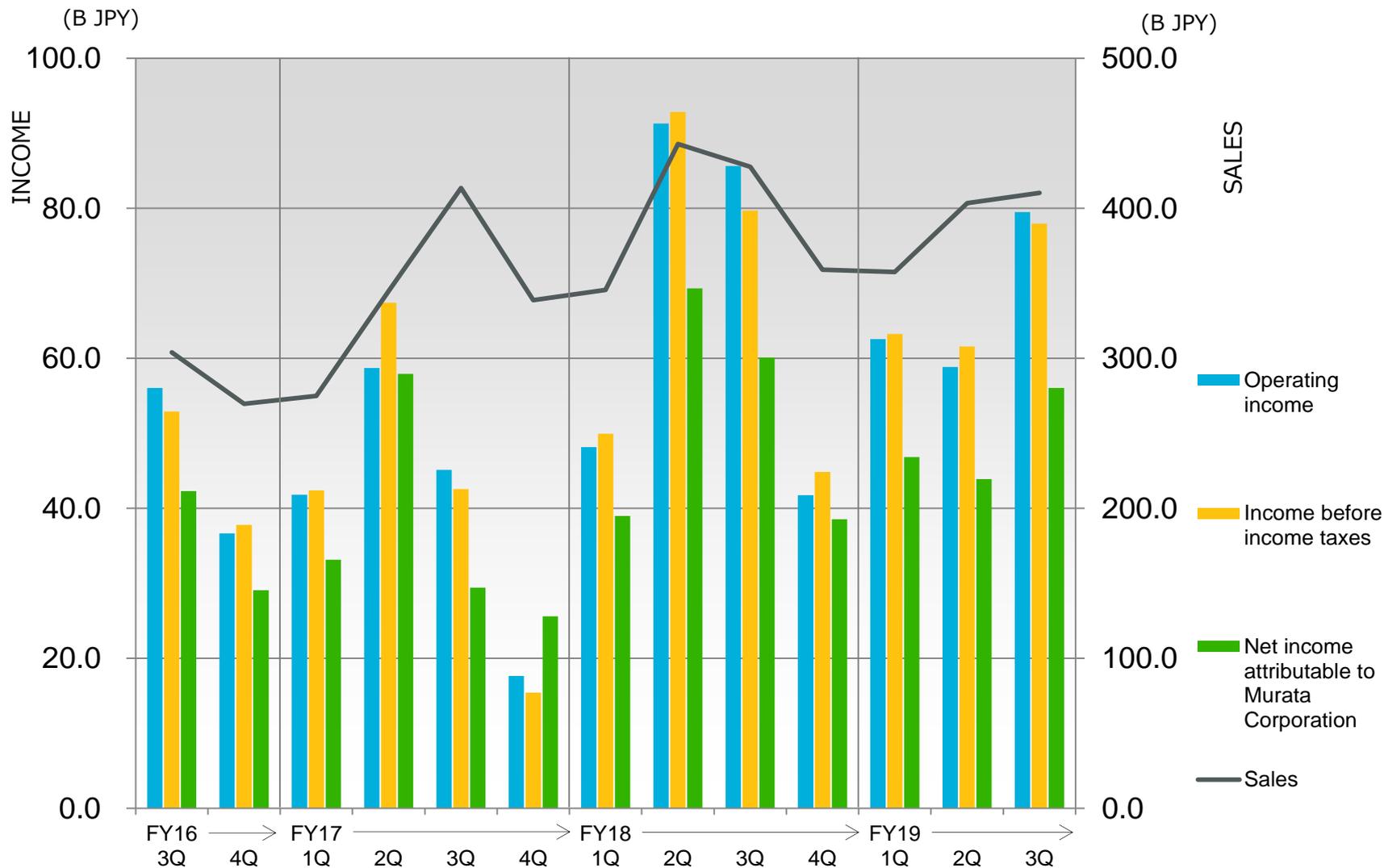
1. Third Quarter of FY2019

From October 1, 2019 to December 31, 2019
Consolidated Basis

Topics of Financial Results for FY2019 Third Quarter

- Net sales in Q3 decreased 4.1% year on year due to a fall in the sales of capacitors for distributors caused by the impact of inventory adjustment and a decline in the sales of multilayer resin substrates and lithium ion secondary batteries for smartphones, which more than offset a significant increase in demand for capacitors used for base stations.
- Operating income in Q3 decreased 7.2% year on year due to a production decrease caused by lower output and further price cuts despite the Company's efforts to reduce costs. Operating income ratio was 19.4%.
- Operating income for April to December represents 87.0% of the full-year forecast.
- Company plans to pay a year-end dividend 50 yen, 3 yen increase per share.

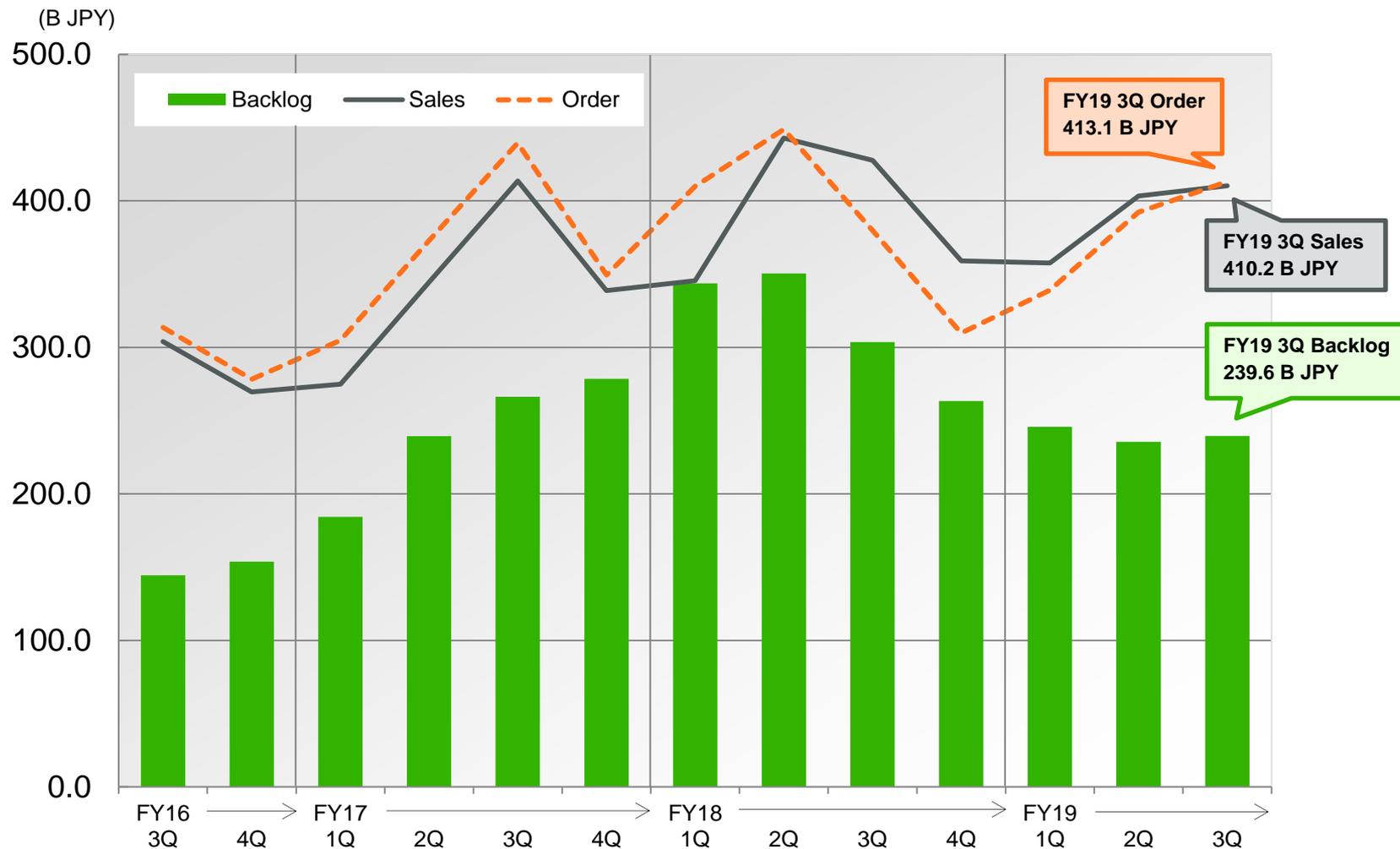
Quarterly Financial Results



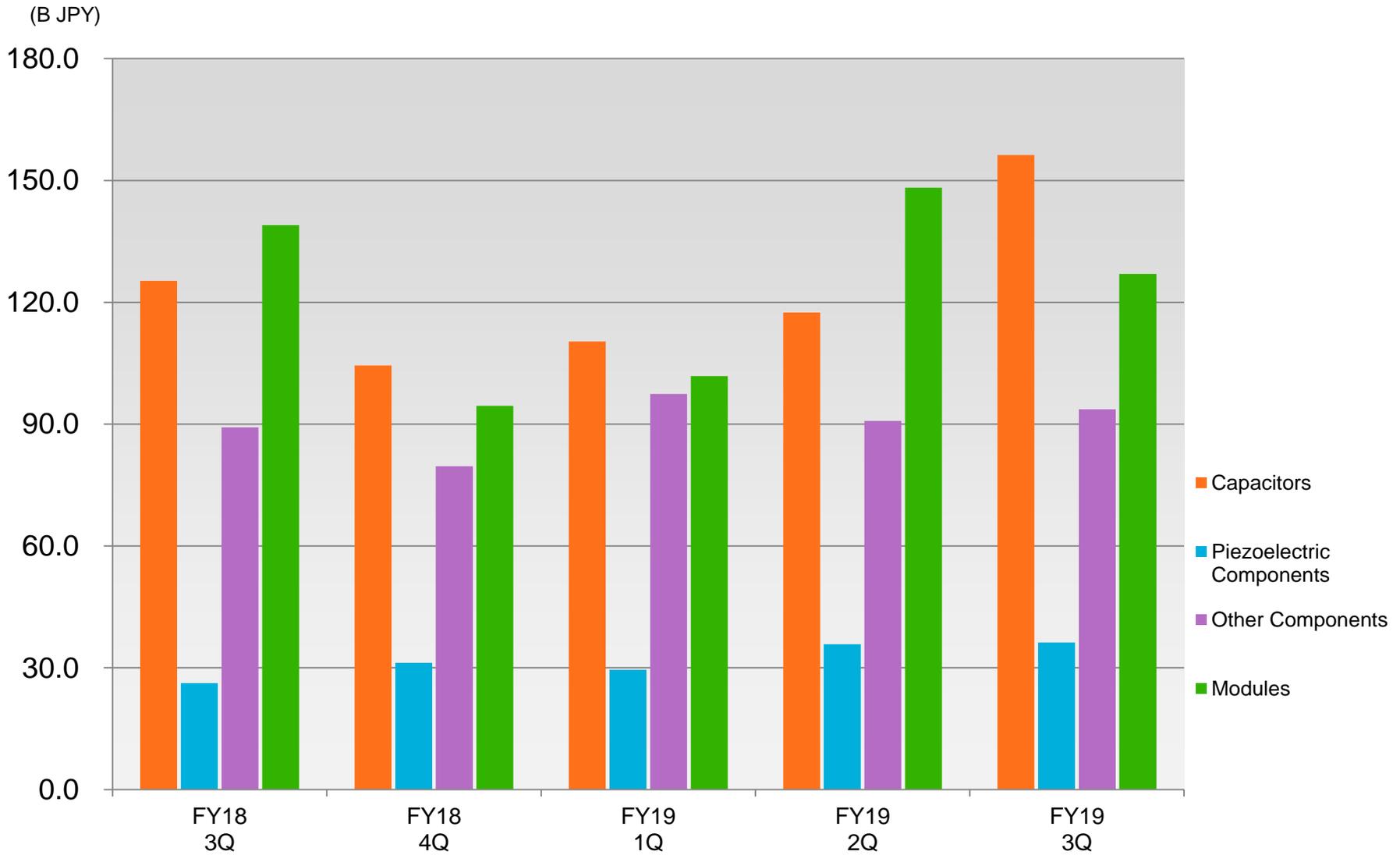
Financial Results Overview

	FY2018 3rd Quarter		FY2019 2nd Quarter		FY2019 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	427.6	100.0	403.4	100.0	410.2	100.0	(17.4)	(4.1)	+6.8	+1.7
Operating income	85.6	20.0	58.8	14.6	79.5	19.4	(6.1)	(7.2)	+20.7	+35.1
Income before income taxes	79.7	18.6	61.6	15.3	78.0	19.0	(1.7)	(2.2)	+16.4	+26.6
Net income attributable to Murata Corporation	60.1	14.1	43.9	10.9	56.1	13.7	(4.1)	(6.8)	+12.1	+27.7

Quarterly Sales, Order and Backlog



Orders by Product



Sales by Product

	FY2018 3rd Quarter		FY2019 2nd Quarter		FY2019 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	158.3	37.1	137.8	34.2	145.7	35.6	(12.6)	(7.9)	+8.0	+5.8
Piezoelectric Components	32.1	7.5	31.9	7.9	33.6	8.2	+1.6	+4.9	+1.7	+5.5
Other Components	99.2	23.3	98.6	24.5	92.8	22.7	(6.4)	(6.5)	(5.8)	(5.9)
Modules	137.1	32.1	134.3	33.4	137.0	33.5	(0.1)	(0.1)	+2.7	+2.0
Net sales	426.6	100.0	402.5	100.0	409.2	100.0	(17.5)	(4.1)	+6.6	+1.6

Sales by Product FY19 Third Quarter vs. FY19 Second Quarter

<p>Capacitors +5.8%</p>	<p>Multilayer Ceramic Capacitors (MLCCs) : Demand for medium-voltage MLCCs used for base stations and sales of MLCCs for high-end smartphones increased.</p>
<p>Piezoelectric Components +5.5%</p>	<p>SAW Filters : SAW filters for smartphones increased in China.</p>
<p>Other Components (5.9%)</p>	<p>Lithium Ion Batteries : Lithium ion batteries for game consoles and PCs decreased.</p> <p>Connectors : Connectors for high-end smartphones and tablet PCs decreased.</p> <p>Inductors (Coil) : Sales fell due to lower demand for use in high-end smartphones.</p>
<p>Modules +2.0%</p>	<p>RF sub module : Growth for products used in high-end smartphones.</p> <p>Wireless modules : Wireless modules for tablet PCs decreased but those for high-end smartphones increased.</p> <p>Multilayer resin substrates : Sales fell due to lower demand for use in high-end smartphones.</p>

Sales by Application

	FY2018 3rd Quarter		FY2019 2nd Quarter		FY2019 3rd Quarter		Y on Y Change		Q on Q Change	
	(a)	(%)	(b)	(%)	(c)	(%)	(c) vs. (a)	(%)	(c) vs. (b)	(%)
AV	(B JPY) 17.5	(%) 4.1	(B JPY) 17.7	(%) 4.4	(B JPY) 14.8	(%) 3.6	(B JPY) (2.6)	(%) (15.0)	(B JPY) (2.9)	(%) (16.2)
Communication	213.3	50.0	212.1	52.7	226.1	55.3	+12.8	+6.0	+14.0	+6.6
Computers and Peripherals	68.0	15.9	60.6	15.1	58.1	14.2	(9.9)	(14.5)	(2.5)	(4.2)
Automotive Electronics	66.0	15.5	66.1	16.4	66.2	16.2	+0.1	+0.2	+0.0	+0.0
Home Electronics and Others	61.9	14.5	46.0	11.4	43.9	10.7	(18.0)	(29.0)	(2.0)	(4.4)
Net sales	426.6	100.0	402.5	100.0	409.2	100.0	(17.5)	(4.1)	+6.6	+1.6

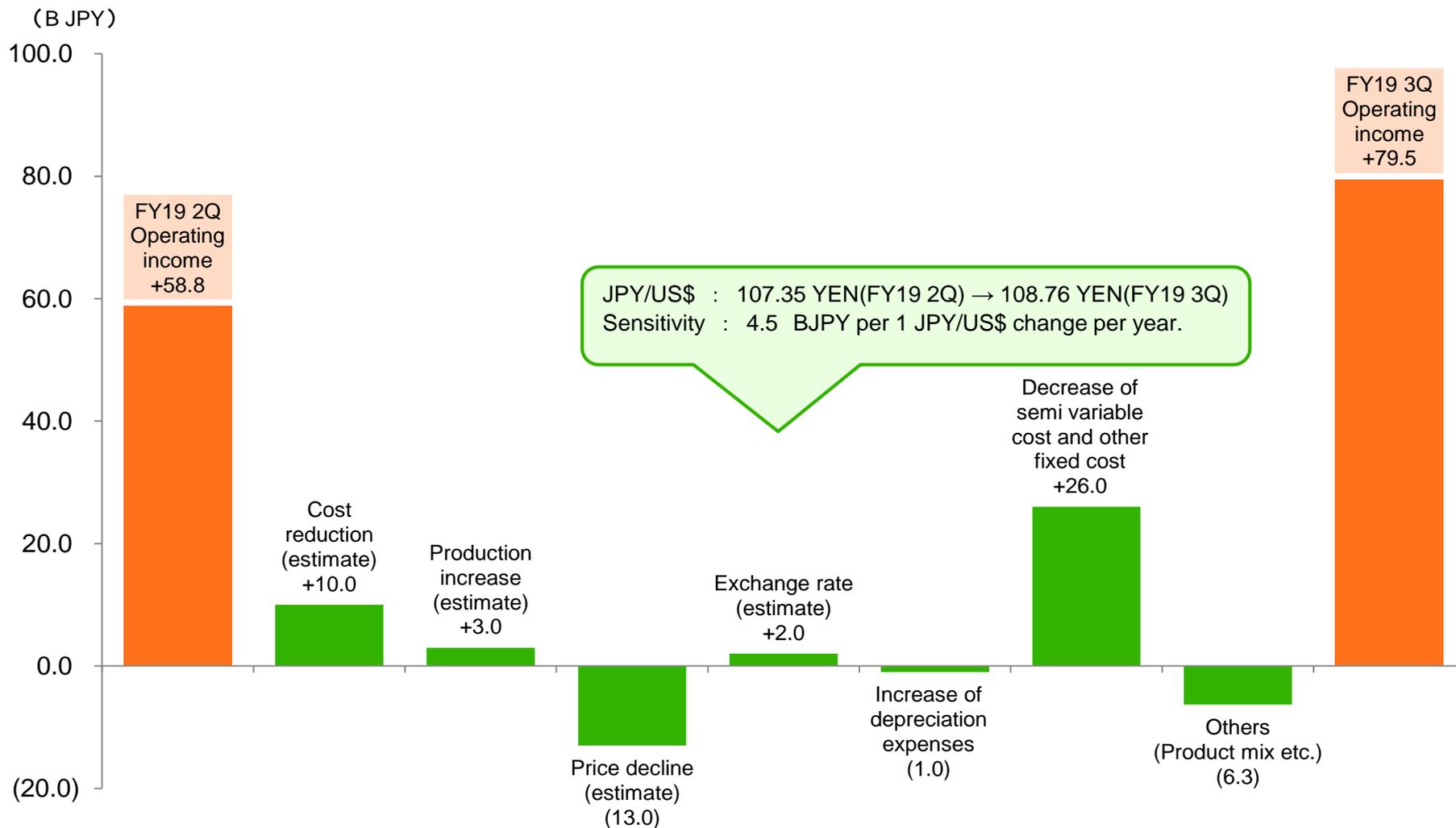
*Based on our estimate

Sales by Application FY19 Third Quarter vs. FY19 Second Quarter

AV (16.2%)	Sales of Lithium Ion Batteries and capacitors for game consoles decreased.
Communication +6.6%	Capacitors for base stations significantly increased. RF sub modules and wireless modules for high-end smartphones increased.
Computers and Peripherals (4.2%)	Wireless modules and capacitors for tablet PCs decreased.
Automotive Electronics Flat	In-vehicle capacitors used for safety devices and infotainment increased. Weaker sales of lithium-ion batteries for electric bicycles.

*Based on our estimate

Breakdown of Operating Income Changes FY19 Second Quarter to FY19 Third Quarter



2. Projected Financial Results for FY2019

(From April 2019 to March 2020)

Projected Financial Results for FY2019

	Previous (April 2019)			Revised (October 2019)					
	1st Half	2nd Half	FY2019 Projections	First Half Results		Second Half Projections		FY2019 Projections	
				(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)
Net sales	765.0	815.0	1,580.0	760.9	100.0	749.1	100.0	1,510.0	100.0
Operating income	115.5	104.5	220.0	121.4	16.0	108.6	14.5	230.0	15.2
Income before income taxes	116.5	105.5	222.0	124.8	16.4	107.2	14.3	232.0	15.4
Net income attributable to Murata Corporation	89.0	81.0	170.0	90.7	11.9	79.3	10.6	170.0	11.3
Average exchange rates Yen/US dollar	110.00			108.63		107.00		107.81	

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

Dividends per Share

FY2019 projected annual dividends per share
97 JPY per share
(Interim: 47 JPY per share, Year-end: 50 JPY per share)
*3 yen increase of year-end dividend per share.

FY2018 annual dividends per share
280 JPY per share
(Interim: 140 JPY per share, Year-end: 140 JPY per share)

*The Company executed a three-for-one common stock split, effective April 1, 2019. Cash dividends per share for the year ended March 31, 2019 are actual amounts paid prior to the relevant stock split. Cash dividends per share for the year ending March 31, 2020 are therefore stated adjusted for the effects of the stock split.

Note: The above projections are based on our view of the current business environment and our projections for FY2019.

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

