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Murata Manufacturing (6981) | Japan

Japan Summit 2026: Expects 85-90% YoY Sales Growth for MLCCs for AI Servers

Key takeaways from group meeting with Murata Manufacturing: The company's plan to increase AI/data center-related MLCC sales by 85-90% YoY in F3/27 is driven by higher volumes, as well as ASP uplift from product mix improvements, such as miniaturization and higher capacitance. While MLCC ASPs growth continues, the company has not implemented price hikes for identical products at this stage. Price declines have become more moderate. Although demand for AI/data center MLCCs remains strong, Murata has been expanding production capacity by 10% annually through F3/26, and plans a further 10% increase in F3/27, which should allow it to meet demand growth through F3/27. Looking ahead to F3/28, demand for AI/data center applications is expected to increase substantially further. In response, Murata plans additional capex of ¥80.0bn in Japan over two years from F3/27, targeting a 20-25% increase in production capacity by F3/28.

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Murata Manufacturing (6981.T, 6981.JT)

Electronic Components | Japan

Stock Rating	Overweight
Industry View	In-Line
Price target	¥5,100
Shr price, close (May 21, 2026)	¥6,727
Mkt cap, curr, basic (bn)	¥12,528.1
Avg daily trading value (bn)	¥25.0

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Valuation Methodology and Risks

Murata Manufacturing (6981.T)

Derived from our base case and a DCF model, with the following assumptions: 2.2% risk-free rate, 1.09 equity beta, 3.7% risk premium, yielding 6.2% WACC; zero growth from F3/36.

Risks to Upside

MetroCirc, MLCCs, and RF devices sales could outstrip our forecasts if high-end smartphone demand is stronger than we envision.

Risks to Downside

- Since Murata's core products are in all sorts of electronic devices, demand and unit prices could fluctuate widely due to changes in the global economy.
- If demand for high-end smartphones is weaker than we envision.
- We estimate a ¥1/\$ change impacts OP by ¥4.5bn.

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(as of April 30, 2026)

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Stock Rating Category	Coverage Universe		Investment Banking Clients (IBC)			Other Material Investment Services Clients (MISC)	
	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1546	42%	467	51%	30%	709	44%
Equal-weight/Hold	1568	43%	358	39%	23%	715	44%
Not-Rated/Hold	4	0%	0	0%	0%	1	0%
Underweight/Sell	555	15%	84	9%	15%	202	12%
Total	3,673		909			1627	

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

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Analyst Industry Views

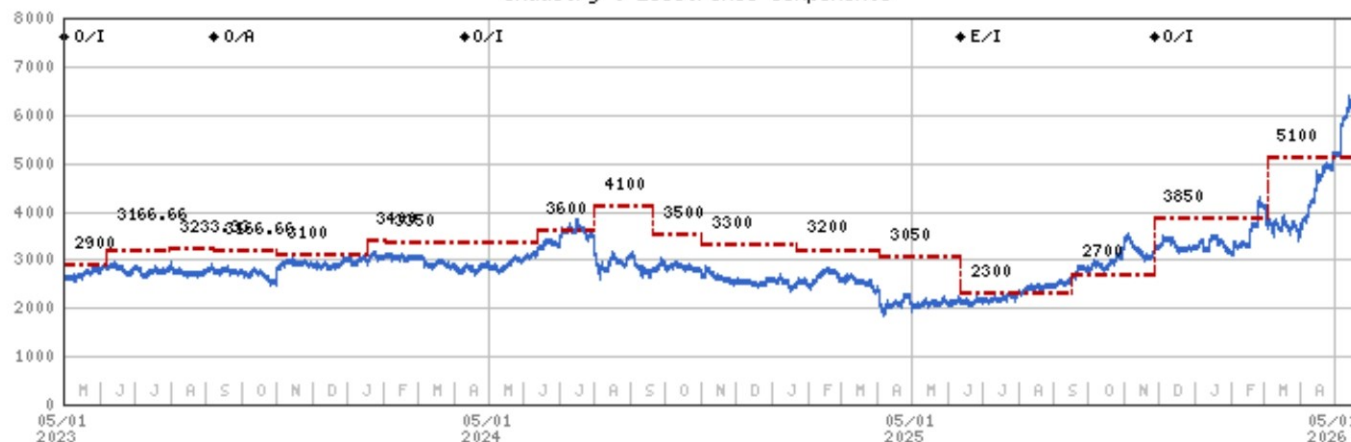
Attractive (A): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark, as indicated below.

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Stock Price, Price Target and Rating History (See Rating Definitions)

Murata Manufacturing (6981.T) - As of 05/21/26 GMT in JPY
Industry : Electronic Components



Stock Rating History: 5/1/21 : E/I; 7/9/21 : O/I; 10/19/21 : E/I; 4/11/22 : O/I; 9/8/23 : O/A; 4/10/24 : O/I; 6/13/25 : E/I; 11/26/25 : O/I

Price Target History: 4/12/21 : 3100; 7/9/21 : 3533.33; 7/30/21 : 3833.33; 10/19/21 : 3166.66; 1/17/22 : 3233.33; 4/11/22 : 3333.33; 6/30/22 : 3100; 7/28/22 : 3066.66; 11/1/22 : 2833.33; 1/17/23 : 2733.33; 2/2/23 : 2700; 3/22/23 : 2900; 6/7/23 : 3166.66; 7/31/23 : 3233.33; 9/8/23 : 3166.66; 10/31/23 : 3100; 1/17/24 : 3400; 2/2/24 : 3350; 6/12/24 : 3600; 7/31/24 : 4100; 9/20/24 : 3500; 11/1/24 : 3300; 1/22/25 : 3200; 4/4/25 : 3050; 6/13/25 : 2300; 9/17/25 : 2700; 11/26/25 : 3850; 3/4/26 : 5100

Source: Morgan Stanley Research Date Format: MM/DD/YY Price Target -- No Price Target Assigned (NA)

Stock Price (Not Covered by Current Analyst) — Stock Price (Covered by Current Analyst) —

Stock and Industry Ratings (abbreviations below) appear as ♦ Stock Rating/Industry View

Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)

Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

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COMPANY (TICKER)	RATING (AS OF)	PRICE* (05/21/2026)
Shoji Sato		
ALPS ALPINE (6770.T)	O (03/17/2026)	¥2,152
Hamamatsu Photonics (6965.T)	U (09/17/2025)	¥2,674
Ibiden (4062.T)	U (02/04/2026)	¥17,875
Kyocera (6971.T)	E (06/25/2020)	¥2,940
Mabuchi Motor (6592.T)	E (11/03/2022)	¥1,555
Minebea Mitsumi (6479.T)	E (10/23/2025)	¥3,877
Murata Manufacturing (6981.T)	O (11/26/2025)	¥6,727
Nidec (6594.T)	NR (09/05/2025)	¥2,630
Niterra (5334.T)	O (01/17/2024)	¥9,608
Taiyo Yuden (6976.T)	E (10/19/2023)	¥8,145
TDK (6762.T)	O (08/02/2022)	¥3,141
Sota Harashima		
CMK (6958.T)	E (02/28/2025)	¥647
Daishinku (6962.T)	E (03/07/2024)	¥782
Hirose Electric (6806.T)	O (07/10/2024)	¥23,485
IRISO Electronics (6908.T)	E (08/02/2022)	¥3,355
Japan Aviation Electronics Industry (6807.T)	E (01/17/2024)	¥2,529
KOA (6999.T)	U (11/04/2025)	¥2,150
Meiko Electronics (6787.T)	E (04/03/2026)	¥40,050
Nichicon (6996.T)	E (11/10/2021)	¥3,125
Nihon Dempa Kogyo (6779.T)	E (03/07/2024)	¥2,195
Nippon Chemi-Con (6997.T)	U (09/20/2024)	

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