Morgan Stanley | MUFG

UPDATE

May 27, 2026 06:09 AM GMT

Murata Manufacturing (6981) | Japan

Investment in Cutting-edge MLCC Products is Highly Efficient

President Nakajima said that the firm expects medium/long-term demand for cutting-edge MLCC products to expand not only in the AI/DC field but also for AI edge devices.

Key Takeaways

- The firm doesn't plan to raise prices for existing MLCC products, but still expects ASP to keep rising and the mix to continue improving as sales of high-ASP cutting-edge products grow.
- The firm is investing an additional ¥80bn for MLCC capacity expansion; note that investment in additional processes for cutting-edge products is highly efficient.
- Murata Manufacturing is capable of supplying both MLCCs and silicon capacitors for package substrates, both as embedded applications and for mounting.

Below we summarize the presentation by President Norio Nakajima at the sell-side analyst small meeting held at 10am on May 27.

(1) The firm expects the share of AI/DC-related sales in MLCC sales to rise from 10-15% in F3/26 to 20-25% in F3/27, with AI/DC-related MLCC sales projected to increase 85-90% YoY.

(2) For AI/DC applications, the total capacitance required for MLCCs is increasing substantially, driving rapid demand growth for cutting-edge, compact, high-capacitance MLCCs. Murata Manufacturing has been expanding MLCC production capacity at an annual rate of 10%, but is also making an additional ¥80bn in capex to increase output of cutting-edge MLCCs for AI/DC applications.

(3) The additional ¥80bn investment is mainly for additional processes for cutting-edge products, and investment efficiency is extremely high compared with the ongoing investment to increase production capacity by 10% annually. The firm expects MLCC sales growth to accelerate from 13% YoY in F3/27 to 20–25% YoY in F3/28, mainly driven by increased sales of cutting-edge products.

(4) Murata Manufacturing has not raised prices on existing MLCC products and does not plan to do so going forward. However, the firm expects the ASP to continue rising given that (1) launches of new cutting-edge products will continue, and cutting-edge products are priced higher than existing products and (2) prices of existing products are becoming less likely to decline, not only in AI/DC but also in other applications. *(See section 2 for points (5) and (6).)*

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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 26, 2026)	¥8,077
Mkt cap, curr, basic (bn)	¥15,042.3
Avg daily trading value (bn)	¥26.3

(5) Efforts to embed capacitors in GPU/TPU package substrates have been underway for more than 10 years, but there are many challenges, including connection reliability. Murata Manufacturing can supply both MLCCs and silicon capacitors for embedded applications and for mounting on package substrates.

(6) Cutting-edge MLCCs are supplied mainly for AI/DC applications, but the firm expects demand for AI edge devices to increase over the medium term. AI edge devices require large volumes of compact, high-capacitance MLCCs, and thus the firm sees an ongoing increase in demand for cutting-edge MLCCs.

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(as of April 30, 2026)

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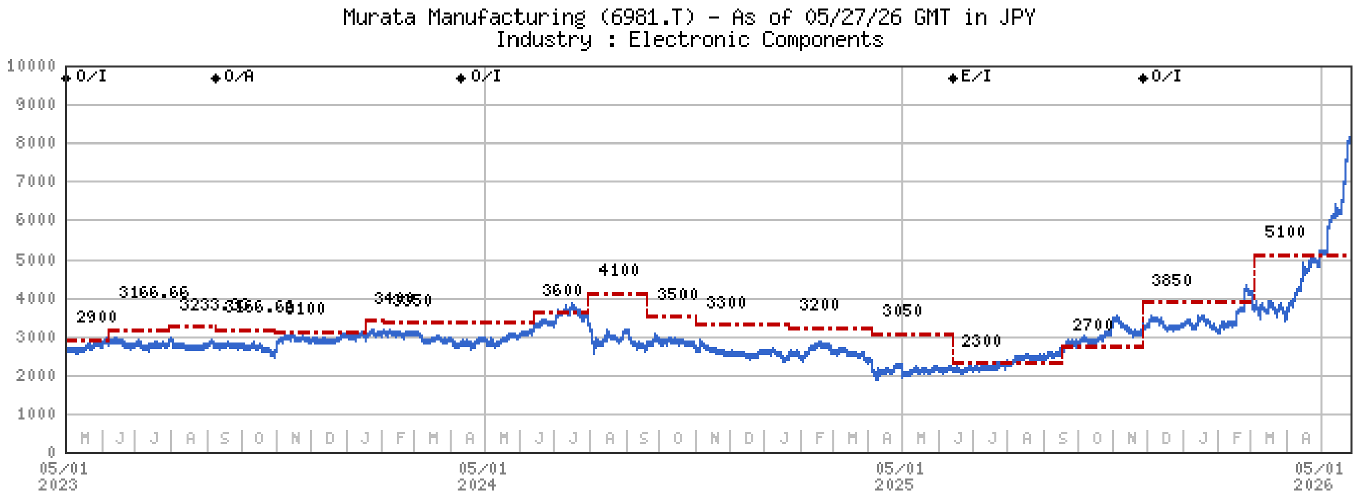
Stock Price, Price Target and Rating History (See Rating Definitions)



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* (05/26/2026)
Shoji Sato		
ALPS ALPINE (6770.T)	O (03/17/2026)	¥2,185
Hamamatsu Photonics (6965.T)	U (09/17/2025)	¥2,933
Ibiden (4062.T)	U (02/04/2026)	¥20,965
Kyocera (6971.T)	E (06/25/2020)	¥3,146
Mabuchi Motor (6592.T)	E (11/03/2022)	¥1,573
Minebea Mitsumi (6479.T)	E (10/23/2025)	¥4,317
Murata Manufacturing (6981.T)	O (11/26/2025)	¥8,077
Nidec (6594.T)	NR (09/05/2025)	¥2,823
Niterra (5334.T)	O (01/17/2024)	¥9,643
Taiyo Yuden (6976.T)	E (10/19/2023)	¥11,445
TDK (6762.T)	O (08/02/2022)	¥3,627
Sota Harashima		
CMK (6958.T)	E (02/28/2025)	¥726
Daishinku (6962.T)	E (03/07/2024)	¥960
Hirose Electric (6806.T)	O (07/10/2024)	¥24,775
IRISO Electronics (6908.T)	E (08/02/2022)	¥3,210
Japan Aviation Electronics Industry (6807.T)	E (01/17/2024)	¥2,456
KOA (6999.T)	U (11/04/2025)	¥2,342
Meiko Electronics (6787.T)	E (04/03/2026)	¥39,900
Nichicon (6996.T)	E (11/10/2021)	¥3,750
Nihon Dempa Kogyo (6779.T)	E (03/07/2024)	¥3,195
Nippon Chemi-Con (6997.T)	U (09/20/2024)	¥4,120

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