

Consolidated Financial Flash Report (September 30, 2021)

Date: October 29, 2021

Company Name : Murata Manufacturing Co., Ltd.
Listing Code : 6981
(URL <https://corporate.murata.com>)
Phone : (075) 955-6525
The date of payout of dividends : November 29, 2021

Stock Exchange Listings:
Tokyo Stock Exchange
Stock Exchange of Singapore

1. Consolidated financial results for the six months ended September 30, 2021

(1) Operating results

	Net sales		Operating income		Income before income taxes		Net income attributable to Murata Corporation	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2021	908,074	20.8	222,109	68.9	227,853	71.1	167,788	68.0
Six months ended September 30, 2020	752,005	(1.2)	131,518	8.3	133,154	6.7	99,860	10.1

Comprehensive income attributable to Murata Corporation: 175,828 million yen for the six months ended September 30, 2021 and 99,950 million yen for the six months ended September 30, 2020.

	Basic earnings attributable to Murata Corporation per share	Diluted earnings attributable to Murata Corporation per share
	Yen	Yen
Six months ended September 30, 2021	262.24	-
Six months ended September 30, 2020	156.08	-

* Percentage represents year-on-year changes.

(2) Financial position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
At September 30, 2021	2,598,565	2,058,671	79.2	3,217.51
At March 31, 2021	2,462,261	1,920,805	78.0	3,002.12

2. Dividends (Year ended March 31, 2021 and the year ending March 31, 2022)

	Cash dividends per share				
	First Quarter	Second Quarter	Third Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2021	-	55.00	-	60.00	115.00
2022	-	60.00	-	60.00	120.00
2022 (Projected)	-	-	-	60.00	120.00

* No change in the projected dividends during the three months ended September 30, 2021.

3. Projected financial results for the year ending March 31, 2022 (Consolidated basis)

	Net sales		Operating income		Income before income taxes		Net income attributable to Murata Corporation		Basic earnings attributable to Murata Corporation per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending March 31, 2022	1,730,000	6.1	365,000	16.5	367,000	16.0	271,000	14.3	423.56

* No change in the projected financial results during the three months ended September 30, 2021.

Percentage represents year-on-year changes.

4. Notes

(1) Changes in significant subsidiaries during the six months ended September 30, 2021 (changes in specific subsidiaries that caused change in scope of consolidation): None

(2) Adoption of simplified and specifically applied accounting methods

Murata Manufacturing Co., Ltd. and Subsidiaries (the "Companies") adopted accounting methods specifically applied for quarterly consolidated financial reporting.

(3) Changes in accounting policy

Changes due to adoption of new accounting standard: None

Changes due to reasons other than above: None

(4) Number of common shares outstanding

Number of shares outstanding, including treasury stock: 675,814,281 shares at September 30, 2021 and at March 31, 2021

Number of treasury stock: 35,981,605 shares at September 30, 2021 and 35,998,818 shares at March 31, 2021

Average number of shares outstanding: 639,815,713 shares for the six months ended September 30, 2021 and 639,796,585 shares for the six months ended September 30, 2020

*Notes to the projected financial results

The above projections were prepared based on estimates using information currently available.

Actual results may differ from the projections. For assumptions and other information regarding the projections, refer to "Business Results and Financial Position".

Business Results and Financial Position (from April 1, 2021 through September 30, 2021)

1. Business Results

The global economy during the six months ended September 30, 2021 showed signs of recovery mainly in the United States and Europe, where economic activities were resumed as COVID-19 vaccines became widely available. However, the economic recovery slowed in the period under review mainly due to the global resurgence of COVID-19 variants and constrained production activities caused by a shortage of semiconductor supplies. The business recovery of the U.S. slowed due to sluggish personal consumption and employment amid the resurgence of COVID-19, despite the implementation of large-scale economic measures. In China, a sense of economic stagnation is growing amid high resource prices and delayed recovery of employment, together with concerns about tightening of restrictions on certain sectors.

Murata Manufacturing Co., Ltd. and subsidiaries (hereinafter referred to as the Companies) operate in the electronics market. In this market, demand for Automotive electronics increased significantly year-on-year due to the recovery in automobile production volume and accumulating parts inventory to prepare for future production growth. Demand also expanded in the smartphone market driven by an increase in 5G smartphones, and demand for PCs continued to be steady, boosted mainly by the demand for remote work.

In these circumstances, in the six months ended September 30, 2021, net sales of our mainstay multilayer ceramic capacitors (MLCCs) increased significantly in the areas of automotive electronics, computers and peripherals, and net sales of inductors rose in the areas of smartphones, computers and peripherals. Net sales of lithium ion secondary batteries for power tools also increased. As a result, net sales in the six months ended September 30, 2021 increased by 20.8% year-on-year to 908,074 million yen, boosted in part by currency fluctuations (the yen depreciated by 2.88 yen year-on-year).

Performance was positively contributed to by an improved operation ratio and cost reduction, despite an increase in production-related expenses driven by production growth. As a result, operating income was 222,109 million yen, up 68.9% year on year, income before income taxes was 227,853 million yen, up 71.1% year on year, and net income attributable to Murata Corporation was 167,788 million yen, up 68.0% year on year.

	Millions of yen					
	Six months ended September 30, 2020		Six months ended September 30, 2021		Change	
		%*		%*		%
Net sales	752,005	100.0	908,074	100.0	156,069	20.8
Operating income	131,518	17.5	222,109	24.5	90,591	68.9
Income before income taxes	133,154	17.7	227,853	25.1	94,699	71.1
Net income attributable to Murata Corporation	99,860	13.3	167,788	18.5	67,928	68.0
Average exchange rate (Yen/U.S. dollar)	106.92	-	109.80	-	2.88	-
Average exchange rate (Yen/Euro)	121.29	-	130.89	-	9.60	-

*Component ratio as a percentage of net sales

Sales by Product Category

Net sales by product category for the period under review were as follows.

	Millions of yen					
	Six months ended September 30, 2020		Six months ended September 30, 2021		Change	
		%*		%*		%
Capacitors	290,557	38.7	391,683	43.2	101,126	34.8
Piezoelectric Components	60,742	8.1	76,328	8.4	15,586	25.7
Other Components	178,704	23.8	231,891	25.6	53,187	29.8
Components Total	530,003	70.6	699,902	77.2	169,899	32.1
Modules	220,731	29.4	206,727	22.8	(14,004)	(6.3)
Net sales	750,734	100.0	906,629	100.0	155,895	20.8

*Component ratio as a percentage of net sales

<Components>

Sales of Components for the period under review increased by 32.1% year-on-year to 699,902 million yen.

[Capacitors]

The Capacitors category includes MLCCs.

Sales of capacitors for automobile electronics increased significantly in the six months ended September 30, 2021, as customers continued to secure inventories of components aimed at boosting production in the future. Sales of computers and peripherals as well as smartphones, also increased.

As a result, overall net sales increased by 34.8% year-on-year to 391,683 million yen.

[Piezoelectric Components]

The Piezoelectric Components category includes SAW filters, piezoelectric sensors, and ceramic resonators.

Sales of SAW filters increased significantly for smartphones and IoT devices, in the six months ended September 30, 2021.

As a result, overall net sales increased by 25.7% year-on-year to 76,328 million yen.

[Other Components]

Other Components include lithium ion secondary batteries, inductors, electromagnetic interference suppression filters, connectors, sensors and thermistors.

Sales of inductors for smartphones and PCs, as well as sales of lithium ion secondary batteries for power tools, increased significantly in the six months ended September 30, 2021.

As a result, overall net sales increased by 29.8% year-on-year to 231,891 million yen.

<Modules>

The Modules category includes connectivity modules, RF modules, multilayer resin substrates, power supplies modules, and multilayer ceramic devices.

In the six months ended September 30 2021, sales of connectivity modules decreased for smartphones due to the restructuring of product portfolios, and sales of RF modules also fell for smartphones.

As a result, overall net sales decreased by 6.3 % year-on-year to 206,727 million yen.

Sales by Application Category

Net sales by Application Category for the period under review were as follows.

	Millions of yen					
	Six months ended September 30, 2020		Six months ended September 30, 2021		Change	
		%		%		%
AV	36,143	4.8	39,614	4.4	3,471	9.6
Communications	381,315	50.8	392,723	43.3	11,408	3.0
Computers and Peripherals	139,264	18.5	182,757	20.1	43,493	31.2
Automotive Electronics	109,263	14.6	164,837	18.2	55,574	50.9
Home and Others	84,749	11.3	126,698	14.0	41,949	49.5
Net sales	750,734	100.0	906,629	100.0	155,895	20.8

*Based on our estimate

[AV]

On the back of demand from the stay-at-home economy, sales of MLCCs for video game consoles increased in the six months ended September 30, 2021.

As a result, overall net sales increased by 9.6% year-on-year to 39,614 million yen.

[Communication]

Sales of MLCCs and SAW filters for smartphones increased in the six months ended September 30, 2021, while sales of MLCCs for base stations decreased.

As a result, overall net sales increased by 3.0% year-on-year to 392,723 million yen.

[Computers and Peripherals]

Sales of MLCCs and inductors for PCs increased significantly in the six months ended September 30, 2021 on the back of the healthy demand for remote work and e-learning.

As a result, overall net sales increased by 31.2% year-on-year to 182,757 million yen.

[Automotive Electronics]

Sales of MLCCs increased significantly in the six months ended September 30, 2021, as customers continued to secure inventories of components aimed at boosting production in the future. Sales of electromagnetic interference suppression filters and inductors also increased.

As a result, overall net sales increased by 50.9% year-on-year to 164,837 million yen.

2. Financial Position

Total assets on September 30, 2021, increased by 136,304 million yen from the end of the previous fiscal year to 2,598,565 million yen, mainly due to increases in short-term investments, and inventories. Total liabilities decreased by 1,066 million yen from the end of the previous fiscal year to 539,550 million yen, mainly due to a decrease in accrued expenses and other. Equity increased by 137,370 million yen from the end of the previous fiscal year to 2,059,015 million yen mainly due to an increase in retained earnings. The ratio of shareholders' equity to total assets increased by 1.2 percentage points from the end of the previous fiscal year to 79.2% at September 30, 2021.

Compared with the same period of the previous fiscal year, cash flows for the period under review were as follows

<Net Cash Provided by Operating Activities>

For the period under review, net cash provided by operating activities was 207,918 million yen. Negative factors—an increase of 37,100 million yen in inventories—were offset by net income of 167,670 million yen and depreciation and amortization of 76,010 million yen.

Net cash provided by operating activities increased by 93,927 million yen for the six months ended September 30, 2021.

<Net Cash Used in Investing Activities>

For the period under review, net cash used in investing activities was 80,225 million yen. While cash inflows included maturities and sales of marketable securities, investments and other of 19,239 million yen, there were cash outflows of 80,003 million yen in capital expenditures aimed at boosting production capacity and 13,378 million yen in the acquisition of Eta Wireless, Inc., among other factors.

Net cash used in investing activities increased by 6,343 million yen for the six months ended September 30, 2021.

<Net Cash Used in Financing Activities>

Cash flow from financing activities in the six months ended September 30, 2021 resulted in a net cash outflow of 39,000 million yen mainly due to dividend payment of 38,389 million yen.

Net cash used in financing activities decreased by 27,875 million yen for the six months ended September 30, 2021.

3. Projected Results for the Year Ending March 31, 2022

The Companies have not revised their projected results for the year ending March 31, 2022, which were announced on July 29, 2021.

[Cautionary Statement on Forward-looking Statements]

This report contains forward-looking statements concerning the Companies' projections, plans, policies, strategies, schedules, and decisions. These forward-looking statements are not historical facts; rather, they represent the assumptions of the Companies based on information currently available and certain assumptions we deem as reasonable. Actual results may differ materially from expectations owing to various risks and uncertainties. Readers are therefore requested not to rely on these forward-looking statements as the sole basis for evaluating the Companies. The Companies have 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 Companies' 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 Companies' 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 Companies' financial assets; (6) drastic legal, political, and social changes in the Companies' business environment; and (7) other uncertainties and contingencies.

(1) Consolidated Balance Sheets (Assets)

At March 31, 2021 and September 30, 2021

	Millions of Yen			
	At March 31, 2021		At September 30, 2021	
		%		%
Assets	2,462,261	100.0	2,598,565	100.0
Current assets	1,184,180	48.1	1,309,953	50.4
Cash	363,979		395,345	
Short-term investments	64,218		115,919	
Marketable securities	22,599		18,904	
Trade notes receivable	25		16	
Trade accounts receivable	342,260		344,273	
Allowance for doubtful notes and accounts	(1,414)		(2,156)	
Inventories	361,331		400,811	
Prepaid expenses and other	31,182		36,841	
Property, plant and equipment	1,078,838	43.8	1,085,070	41.8
Land	73,359		79,343	
Buildings	741,346		760,793	
Machinery and equipment, tools, dies, furniture and fixtures, and autos and trucks	1,418,356		1,467,038	
Construction in progress	100,277		85,945	
Accumulated depreciation	(1,286,598)		(1,340,071)	
Operating lease right-of-use assets	32,098		32,022	
Investments and other assets	199,243	8.1	203,542	7.8
Investments	41,438		34,400	
Intangible assets	33,524		44,192	
Goodwill	71,058		78,179	
Deferred income taxes	37,796		31,418	
Other	15,427		15,353	
Total assets	2,462,261	100.0	2,598,565	100.0

Consolidated Balance Sheets (Liabilities and Equity)

At March 31, 2021 and September 30, 2021

	Millions of Yen			
	At March 31, 2021		At September 30, 2021	
		%		%
Liabilities	540,616	22.0	539,550	20.8
Current liabilities	317,911	13.0	313,587	12.1
Short-term borrowings	97		—	
Trade accounts payable	85,927		88,362	
Current portion of bonds	39,982		39,994	
Accrued payroll and bonuses	52,909		55,955	
Income taxes payable	41,525		49,818	
Accrued expenses and other	90,516		73,189	
Current operating lease liabilities	6,955		6,269	
Long-term liabilities	222,705	9.0	225,963	8.7
Bonds	109,853		109,877	
Long-term debt	772		825	
Termination and retirement benefits	74,005		74,711	
Deferred income taxes	7,603		8,838	
Noncurrent operating lease liabilities	25,051		25,725	
Other	5,421		5,987	
Equity	1,921,645	78.0	2,059,015	79.2
Murata Corporation's shareholders' equity	1,920,805	78.0	2,058,671	79.2
Common stock	69,444		69,444	
Capital surplus	120,880		120,926	
Retained earnings	1,786,660		1,916,421	
Accumulated other comprehensive income (loss):	(2,627)		5,413	
Unrealized gains (losses) on securities	(32)		(37)	
Pension liability adjustments	(14,814)		(14,804)	
Foreign currency translation adjustments	12,219		20,254	
Treasury stock, at cost	(53,552)		(53,533)	
Noncontrolling interests	840	0.0	344	0.0
Total liabilities and equity	2,462,261	100.0	2,598,565	100.0

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income

Six months ended September 30, 2020 and 2021

	Millions of Yen			
	Six months ended September 30, 2020		Six months ended September 30, 2021	
		%		%
Net sales	752,005	100.0	908,074	100.0
Cost of sales	467,169	62.1	517,420	57.0
Selling, general and administrative	102,304	13.6	114,284	12.5
Research and development	51,014	6.8	54,261	6.0
Operating income	131,518	17.5	222,109	24.5
Interest and dividend income	983	0.1	607	0.1
Interest expense	(139)	(0.0)	(159)	(0.0)
Foreign currency exchange gain (loss)	(4,735)	(0.6)	378	0.0
Other - net	5,527	0.7	4,918	0.5
Income before income taxes	133,154	17.7	227,853	25.1
Income taxes	33,357	4.4	60,183	6.6
<Current income tax>	<37,766>		<56,483>	
<Deferred income tax>	<(4,409)>		<3,700>	
Net income	99,797	13.3	167,670	18.5
Less: Net income (loss) attributable to noncontrolling interests	(63)	(0.0)	(118)	(0.0)
Net income attributable to Murata Corporation	99,860	13.3	167,788	18.5

Consolidated Statements of Comprehensive Income

Six months ended September 30, 2020 and 2021

	Millions of Yen	
	Six months ended September 30, 2020	Six months ended September 30, 2021
Net income	99,797	167,670
Other comprehensive income (loss), net of tax:		
Unrealized gains (losses) on securities	25	(5)
Pension liability adjustments	1,120	10
Foreign currency translation adjustments	(1,044)	8,056
Other comprehensive income (loss)	101	8,061
Comprehensive income	99,898	175,731
Less: Comprehensive income (loss) attributable to noncontrolling interests	(52)	(97)
Comprehensive income attributable to Murata Corporation	99,950	175,828

Consolidated Statements of Income

Three months ended September 30, 2020 and 2021

	Millions of Yen			
	Three months ended September 30, 2020		Three months ended September 30, 2021	
		%		%
Net sales	425,207	100.0	468,517	100.0
Cost of sales	264,593	62.2	265,733	56.7
Selling, general and administrative	54,232	12.7	58,531	12.5
Research and development	26,203	6.2	27,213	5.8
Operating income	80,179	18.9	117,040	25.0
Interest and dividend income	390	0.1	187	0.0
Interest expense	(2)	(0.0)	(69)	(0.0)
Foreign currency exchange gain (loss)	(3,107)	(0.8)	2,101	0.5
Other - net	1,772	0.4	4,884	1.0
Income before income taxes	79,232	18.6	124,143	26.5
Income taxes	18,964	4.4	33,626	7.2
<Current income tax>	<22,469>		<38,666>	
<Deferred income tax>	<(3,505)>		<(5,040)>	
Net income	60,268	14.2	90,517	19.3
Less: Net income (loss) attributable to noncontrolling interests	(9)	(0.0)	(53)	(0.0)
Net income attributable to Murata Corporation	60,277	14.2	90,570	19.3

Consolidated Statements of Comprehensive Income

Three months ended September 30, 2020 and 2021

	Millions of Yen	
	Three months ended September 30, 2020	Three months ended September 30, 2021
Net income	60,268	90,517
Other comprehensive income (loss), net of tax:		
Unrealized gains (losses) on securities	(6)	2
Pension liability adjustments	531	59
Foreign currency translation adjustments	479	2,787
Other comprehensive income (loss)	1,004	2,848
Comprehensive income	61,272	93,365
Less: Comprehensive income (loss) attributable to noncontrolling interests	5	(45)
Comprehensive income attributable to Murata Corporation	61,267	93,410

(3) Consolidated Statements of Cash Flows

Six months ended September 30, 2020 and 2021

	Millions of Yen			
	Six months ended September 30, 2020		Six months ended September 30, 2021	
Operating activities:				
Net income		99,797		167,670
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	69,844		76,010	
Losses (gains) on sales and disposals of property, plant and equipment	696		(57)	
Impairment losses on long-lived assets	523		2,188	
Provision for termination and retirement benefits, less payments	2,323		480	
Deferred income taxes	(4,409)		3,700	
Changes in assets and liabilities:				
(Increase) decrease in trade notes and accounts receivable	(40,359)		1,669	
(Increase) decrease in inventories	(22,940)		(37,100)	
(Increase) decrease in prepaid expenses and other	(2,009)		(5,186)	
Increase (decrease) in trade notes and accounts payable	5,054		1,913	
Increase (decrease) in accrued payroll and bonuses	1,782		2,946	
Increase (decrease) in income taxes payable	(436)		8,152	
Increase (decrease) in accrued expenses and other	5,248		(12,690)	
Other-net	(1,123)	14,194	(1,777)	40,248
Net cash provided by operating activities		113,991		207,918
Investing activities:				
Payment for purchases of property, plant and equipment		(91,894)		(80,003)
Payment for purchases of marketable securities, investments and other		(11,608)		(12,306)
Maturities and sales of marketable securities, investments and other		13,918		19,239
Increase in long-term deposits and loans		-		(30)
Decrease in long-term deposits and loans		-		5,475
(Increase) decrease in short-term investments		2,121		93
Acquisitions of businesses, net of cash acquired		-		(13,378)
Other-net		895		685
Net cash used in investing activities		(86,568)		(80,225)
Financing activities:				
Net increase (decrease) in short-term borrowings		21,095		(91)
Proceeds from long-term debt		98		84
Repayment of long-term debt		(131)		(6)
Dividends paid		(31,990)		(38,389)
Other-net		(197)		(598)
Net cash provided by (used in) financing activities		(11,125)		(39,000)
Effect of exchange rate changes on cash and cash equivalents		(1,724)		(93)
Net increase (decrease) in cash and cash equivalents		14,574		88,600
Cash and cash equivalents at beginning of period		302,320		407,699
Cash and cash equivalents at end of period		316,894		496,299
Additional cash and cash equivalents information:				
Cash		264,407		395,345
Short-term investments		99,188		115,919
Short-term investments with original maturities over 3 months		(46,701)		(14,965)
Cash and cash equivalents at end of period		316,894		496,299

(4) Assumptions for Going Concern

None

(5) Segment Information

Operating Segment Information

The Companies mainly develop, manufacture and sell electronic components and related products.

Operating segments of the Companies are classified based on the nature of products, and the Companies recognized the Components segment, the Modules segment, and Others.

Six months ended September 30, 2020 and 2021

		Millions of Yen			
		Six months ended September 30, 2020		Six months ended September 30, 2021	
Components	Sales to:		%		%
	Unaffiliated customers	530,003		699,902	
	Intersegment	16,397		16,303	
	Total revenue	546,400	100.0	716,205	100.0
	Segment income (loss)	138,106	25.3	233,693	32.6
Modules	Sales to:		%		%
	Unaffiliated customers	220,731		206,727	
	Intersegment	0		0	
	Total revenue	220,731	100.0	206,727	100.0
	Segment income (loss)	21,725	9.8	19,487	9.4
Others	Sales to:		%		%
	Unaffiliated customers	1,271		1,445	
	Intersegment	29,951		29,593	
	Total revenue	31,222	100.0	31,038	100.0
	Segment income (loss)	3,933	12.6	3,984	12.8
Corporate and eliminations	Sales to:		%		%
	Unaffiliated customers	-		-	
	Intersegment	(46,348)		(45,896)	
	Total revenue	(46,348)	-	(45,896)	-
	Corporate expenses	(32,246)	-	(35,055)	-
Consolidated	Sales to:		%		%
	Unaffiliated customers	752,005		908,074	
	Intersegment	-		-	
	Total revenue	752,005	100.0	908,074	100.0
	Operating income	131,518	17.5	222,109	24.5

Three months ended September 30, 2020 and 2021

		Millions of Yen			
		Three months ended September 30, 2020		Three months ended September 30, 2021	
Components	Sales to:		%		%
	Unaffiliated customers	291,755		360,949	
	Intersegment	9,051		9,175	
	Total revenue	300,806	100.0	370,124	100.0
	Segment income (loss)	79,220	26.3	121,679	32.9
Modules	Sales to:		%		%
	Unaffiliated customers	132,786		106,867	
	Intersegment	0		0	
	Total revenue	132,786	100.0	106,867	100.0
	Segment income (loss)	14,803	11.1	10,978	10.3
Others	Sales to:		%		%
	Unaffiliated customers	666		701	
	Intersegment	16,151		14,759	
	Total revenue	16,817	100.0	15,460	100.0
	Segment income (loss)	2,008	11.9	1,987	12.9
Corporate and eliminations	Sales to:		%		%
	Unaffiliated customers	-		-	
	Intersegment	(25,202)		(23,934)	
	Total revenue	(25,202)	-	(23,934)	-
	Corporate expenses	(15,852)	-	(17,604)	-
Consolidated	Sales to:		%		%
	Unaffiliated customers	425,207		468,517	
	Intersegment	-		-	
	Total revenue	425,207	100.0	468,517	100.0
	Operating income	80,179	18.9	117,040	25.0

Notes: 1. Major products and businesses included in the operating segments

(1) Components: Capacitors and Piezoelectric Components, and Lithium Ion Batteries

(2) Modules: Communication Modules

(3) Others: Machinery manufacturing, welfare services, and sales of software

2. Intersegment transactions are based on market prices.

3. Segment income (loss) for each operating segment represents net sales less related costs.

Corporate expenses represent income (expenses) of headquarters functions and fundamental research.

(6) Significant changes in shareholders' equity

None

(7) Other

October 29, 2021
Murata Manufacturing Co., Ltd.
Listing Code: 6981
(URL <https://corporate.murata.com>)

Flash Report (Six months ended September 30, 2021)**Selected Financial Data - Consolidated basis**

Six months ended September 30, 2020 and 2021/at September 30, 2020 and 2021

		Consolidated Basis		
		2020	2021	Growth ratio
Net sales	Millions of yen	752,005	908,074	20.8
	<%>*2	<17.5>	<24.5>	
Operating income	Millions of yen	131,518	222,109	68.9
	<%>*2	<17.7>	<25.1>	
Income before income taxes	Millions of yen	133,154	227,853	71.1
	<%>*2	<13.3>	<18.5>	
Net income attributable to Murata Corporation	Millions of yen	99,860	167,788	68.0
Total assets	Millions of yen	2,338,922	2,598,565	11.1
Shareholders' equity	Millions of yen	1,762,127	2,058,671	16.8
Shareholders' equity ratio	%	75.4	79.2	-
Basic earnings attributable to Murata Corporation per share	Yen	156.08	262.24	68.0
Diluted earnings attributable to Murata Corporation per share	*3 Yen	-	-	-
Shareholders' equity per share	Yen	2,754.11	3,217.51	-
Capital expenditures	Millions of yen	83,958	74,625	(11.1)
	<%>*2	<9.3>	<8.4>	
Depreciation and amortization	Millions of yen	69,844	76,010	8.8
	<%>*2	<6.8>	<6.0>	
Research and development expenses	Millions of yen	51,014	54,261	6.4
	*4	<42,283>	<44,432>	
Number of employees		74,301	76,847	3.4
Average exchange rates				
Yen/US dollar	Yen	106.92	109.80	-
Yen/Euro	Yen	121.29	130.89	-

Three months ended September 30, 2020 and 2021

		Consolidated Basis		
		2020	2021	Growth ratio
Net sales	Millions of yen	425,207	468,517	10.2
	<%>*2	<18.9>	<25.0>	
Operating income	Millions of yen	80,179	117,040	46.0
	<%>*2	<18.6>	<26.5>	
Income before income taxes	Millions of yen	79,232	124,143	56.7
	<%>*2	<14.2>	<19.3>	
Net income attributable to Murata Corporation	Millions of yen	60,277	90,570	50.3
Basic earnings attributable to Murata Corporation per share	Yen	94.21	141.55	50.2
Diluted earnings attributable to Murata Corporation per share	*3 Yen	-	-	-
Capital expenditures	Millions of yen	43,778	32,072	(26.7)
	<%>*2	<8.4>	<8.3>	
Depreciation and amortization	Millions of yen	35,882	38,746	8.0
	<%>*2	<6.2>	<5.8>	
Research and development expenses	Millions of yen	26,203	27,213	3.9

*1 The consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP).

*2 Ratio to net sales

*3 Diluted earnings attributable to Murata Corporation per share are not stated since there were no potential dilutive securities.

*4 Figures in parentheses indicate the number of employees in foreign countries.

Orders, Backlogs and Sales

(1) Orders and Backlogs by Product

<Orders>

Six months ended September 30, 2020 and 2021

		Millions of Yen					
		Six months ended September 30, 2020		Six months ended September 30, 2021		Change	
			%*1		%*1		%
Capacitors	284,493	37.0	421,996	43.2	137,503	48.3	
Piezoelectric Components	65,534	8.5	69,033	7.1	3,499	5.3	
Other Components	188,723	24.5	246,886	25.3	58,163	30.8	
Components Total	538,750	70.0	737,915	75.6	199,165	37.0	
Modules	230,434	30.0	237,681	24.4	7,247	3.1	
Total	769,184	100.0	975,596	100.0	206,412	26.8	

Three months ended September 30, 2020 and 2021

		Millions of Yen					
		Three months ended September 30, 2020		Three months ended September 30, 2021		Change	
			%*1		%*1		%
Capacitors	166,974	35.1	198,148	41.3	31,174	18.7	
Piezoelectric Components	45,588	9.6	28,989	6.0	(16,599)	(36.4)	
Other Components	115,018	24.2	122,358	25.5	7,340	6.4	
Components Total	327,580	68.9	349,495	72.8	21,915	6.7	
Modules	148,080	31.1	130,875	27.2	(17,205)	(11.6)	
Total	475,660	100.0	480,370	100.0	4,710	1.0	

*1 Component ratio

*2 Figures are based on sales prices to customers.

*3 Exclusive of consumption taxes

*4 The tables by product indicate orders, backlogs, and sales of electronic components and related products.

<Backlogs>

		Millions of Yen					
		At March 31, 2021		At September 30, 2021		Change	
			%*1		%*1		%
Capacitors	189,718	43.7	220,031	43.7	30,313	16.0	
Piezoelectric Components	43,001	9.9	35,706	7.1	(7,295)	(17.0)	
Other Components	127,124	29.3	142,119	28.3	14,995	11.8	
Components Total	359,843	82.9	397,856	79.1	38,013	10.6	
Modules	74,471	17.1	105,425	20.9	30,954	41.6	
Total	434,314	100.0	503,281	100.0	68,967	15.9	

*1 Component ratio

*2 Figures are based on sales prices to customers.

*3 Exclusive of consumption taxes

(2) Sales by Product Category, Application and Area

1. Sales by Product Category

Six months ended September 30, 2020 and 2021

		Millions of Yen					
		Six months ended September 30, 2020		Six months ended September 30, 2021		Change	
			%*1		%*1		%
	Capacitors	290,557	38.7	391,683	43.2	101,126	34.8
	Piezoelectric Components	60,742	8.1	76,328	8.4	15,586	25.7
	Other Components	178,704	23.8	231,891	25.6	53,187	29.8
	Components Total	530,003	70.6	699,902	77.2	169,899	32.1
	Modules	220,731	29.4	206,727	22.8	(14,004)	(6.3)
	Net sales	750,734	100.0	906,629	100.0	155,895	20.8

Three months ended September 30, 2020 and 2021

		Millions of Yen					
		Three months ended September 30, 2020		Three months ended September 30, 2021		Change	
			%*1		%*1		%
	Capacitors	156,063	36.7	202,428	43.3	46,365	29.7
	Piezoelectric Components	34,353	8.1	37,558	8.0	3,205	9.3
	Other Components	101,339	23.9	120,963	25.9	19,624	19.4
	Components Total	291,755	68.7	360,949	77.2	69,194	23.7
	Modules	132,786	31.3	106,867	22.8	(25,919)	(19.5)
	Net sales	424,541	100.0	467,816	100.0	43,275	10.2

*1 Component ratio

*2 Exclusive of consumption taxes

2. Sales by Application (based on the Company's estimate)

Six months ended September 30, 2020 and 2021

		Millions of Yen					
		Six months ended September 30, 2020		Six months ended September 30, 2021		Change	
			%*1		%*1		%
	AV	36,143	4.8	39,614	4.4	3,471	9.6
	Communications	381,315	50.8	392,723	43.3	11,408	3.0
	Computers and Peripherals	139,264	18.5	182,757	20.1	43,493	31.2
	Automotive Electronics	109,263	14.6	164,837	18.2	55,574	50.9
	Home and Others	84,749	11.3	126,698	14.0	41,949	49.5
	Net sales	750,734	100.0	906,629	100.0	155,895	20.8

Three months ended September 30, 2020 and 2021

	Millions of Yen					
	Three months ended September 30, 2020		Three months ended September 30, 2021		Change	
		%*1		%*1		%
AV	20,743	4.9	20,645	4.4	(98)	(0.5)
Communications	222,086	52.3	207,067	44.3	(15,019)	(6.8)
Computers and Peripherals	71,272	16.8	93,101	19.9	21,829	30.6
Automotive Electronics	66,434	15.6	82,103	17.5	15,669	23.6
Home and Others	44,006	10.4	64,900	13.9	20,894	47.5
Net sales	424,541	100.0	467,816	100.0	43,275	10.2

*1 Component ratio

*2 Exclusive of consumption taxes

3. Sales by Area

Six months ended September 30, 2020 and 2021

	Millions of Yen					
	Six months ended September 30, 2020		Six months ended September 30, 2021		Change	
		%*1		%*1		%
The Americas	77,257	10.3	104,260	11.5	27,003	35.0
Europe	53,001	7.1	80,691	8.9	27,690	52.2
Greater China	442,958	59.0	501,919	55.4	58,961	13.3
Asia and Others	116,347	15.5	137,757	15.2	21,410	18.4
Overseas total	689,563	91.9	824,627	91.0	135,064	19.6
Japan	61,171	8.1	82,002	9.0	20,831	34.1
Net sales	750,734	100.0	906,629	100.0	155,895	20.8

Three months ended September 30, 2020 and 2021

	Millions of Yen					
	Three months ended September 30, 2020		Three months ended September 30, 2021		Change	
		%*1		%*1		%
The Americas	48,700	11.5	58,635	12.6	9,935	20.4
Europe	31,779	7.5	40,335	8.6	8,556	26.9
Greater China	244,140	57.5	256,895	54.9	12,755	5.2
Asia and Others	67,697	15.9	69,353	14.8	1,656	2.4
Overseas total	392,316	92.4	425,218	90.9	32,902	8.4
Japan	32,225	7.6	42,598	9.1	10,373	32.2
Net sales	424,541	100.0	467,816	100.0	43,275	10.2

*1 Component ratio

*2 Exclusive of consumption taxes

*3 Sales are attributed to countries or areas based on customer locations.

Quarterly Consolidated Performance

(1) Consolidated Financial Results

	Millions of yen							
	Three months ended June 30, 2020		Three months ended September 30, 2020		Three months ended December 31, 2020		Three months ended March 31, 2021	
Net sales	326,798	% *1 100.0	425,207	% *1 100.0	468,648	% *1 100.0	409,540	% *1 100.0
Operating income	51,339	15.7	80,179	18.9	108,391	23.1	73,331	17.9
Income before income taxes	53,922	16.5	79,232	18.6	106,340	22.7	76,923	18.8
Net income attributable to Murata Corporation	39,583	12.1	60,277	14.2	76,463	16.3	60,734	14.8

	Millions of yen			
	Three months ended June 30, 2021		Three months ended September 30, 2021	
Net sales	439,557	% *1 100.0	468,517	% *1 100.0
Operating income	105,069	23.9	117,040	25.0
Income before income taxes	103,710	23.6	124,143	26.5
Net income attributable to Murata Corporation	77,218	17.6	90,570	19.3

*1 Ratio to net sales

(2) Sales by Product Category

	Millions of Yen							
	Three months ended June 30, 2020		Three months ended September 30, 2020		Three months ended December 31, 2020		Three months ended March 31, 2021	
Capacitors	134,494	% *1 41.2	156,063	% *1 36.7	167,291	% *1 35.7	168,698	% *1 41.3
Piezoelectric Components	26,389	8.1	34,353	8.1	31,993	6.8	36,553	8.9
Other Components	77,365	23.7	101,339	23.9	106,956	22.9	101,988	24.9
Components Total	238,248	73.0	291,755	68.7	306,240	65.4	307,239	75.1
Modules Total	87,945	27.0	132,786	31.3	161,757	34.6	101,611	24.9
Net sales	326,193	100.0	424,541	100.0	467,997	100.0	408,850	100.0

	Millions of yen			
	Three months ended June 30, 2021		Three months ended September 30, 2021	
Capacitors	189,255	% *1 43.1	202,428	% *1 43.3
Piezoelectric Components	38,770	8.8	37,558	8.0
Other Components	110,928	25.3	120,963	25.9
Components Total	338,953	77.2	360,949	77.2
Modules Total	99,860	22.8	106,867	22.8
Net sales	438,813	100.0	467,816	100.0

*1 Component ratio

*2 Exclusive of consumption taxes

(3) Sales by Application (based on the Company's estimate)

	Millions of yen							
	Three months ended June 30, 2020		Three months ended September 30, 2020		Three months ended December 31, 2020		Three months ended March 31, 2021	
		% *1		% *1		% *1		% *1
AV	15,400	4.7	20,743	4.9	18,436	4.0	17,310	4.2
Communications	159,229	48.8	222,086	52.3	247,709	52.9	175,903	43.0
Computers and Peripherals	67,992	20.9	71,272	16.8	74,532	15.9	77,706	19.0
Automotive Electronics	42,829	13.1	66,434	15.6	79,998	17.1	83,924	20.6
Home and Others	40,743	12.5	44,006	10.4	47,322	10.1	54,007	13.2
Net sales	326,193	100.0	424,541	100.0	467,997	100.0	408,850	100.0

	Millions of yen			
	Three months ended June 30, 2021		Three months ended September 30, 2021	
		% *1		% *1
AV	18,969	4.3	20,645	4.4
Communications	185,656	42.3	207,067	44.3
Computers and Peripherals	89,656	20.4	93,101	19.9
Automotive Electronics	82,734	18.9	82,103	17.5
Home and Others	61,798	14.1	64,900	13.9
Net sales	438,813	100.0	467,816	100.0

*1 Component ratio

*2 Exclusive of consumption taxes