Financial highlights

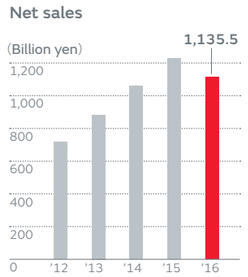
Murata is constantly developing new products for a world of connectivity.

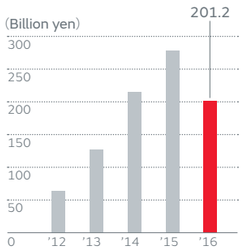
Demand is moving toward electronic components that are smaller and thinner with higher performance and reliability.

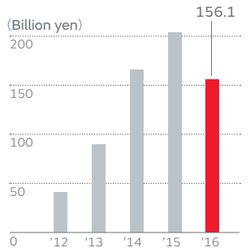
Today, smartphones account for close to 90% of the mobile phones in use worldwide. With the spread of LTE handsets that support multiple frequency bands and carrier aggregation, higher data rates are anticipated in the future, along with even higher performance and more multifunctional uses. Also anticipated in the field of automotive electronics, as the range of electronic components grows, are improved safety features like Electronic Stability Control (ESC) and conveniences like infotainment.

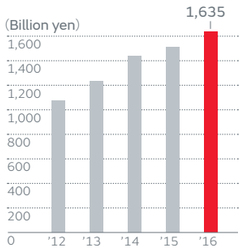
The demand for electronic components supports the trend toward smaller and thinner dimensions, higher performance, and higher reliability.

In fiscal 2016, with the rapid rise in the value of the Japanese yen against other currencies and a decline in sales of communication modules, we experienced a decrease in income and profit from the previous year in a sector that had been looking strong. In fiscal 2017, we will steadily launch new products, focusing on our core area of chip multilayer ceramic capacitors and piezoelectric components, as well as component products. Also, we will be expanding our lineup of communication modules that integrate component embedding and multilayer construction technologies.









Net sales
1,135.5 Billion yen

Operating income
201.2 Billion yen

Net income
156.1 Billion yen

Total assets
1,635 Billion yen

Sales by product

Murata's strength is in modules and compact, high-performance components.

Capacitors

Sales increased further for our micro capacitors and tiny, high-capacity capacitors used in smartphones and other communication devices. In the automotive field, the demand for high-reliability capacitors has been growing with the increasing use of vehicle electronics. Both areas are particular strengths for Murata.

Piezoelectric components

Sales of SAW filters increased as smartphones began to support multiple frequency bands. The demand for ultrasonic sensors in driver assistance systems is increasing as well.

Other components

Sales of high frequency coils and metal coils for smartphones increased. In the automotive electronics market, sales also grew in EMI suppression filters and MEMS sensors used for electronic stability control (ESC), both trends that are expected to continue.

Communication modules

The number of components per handset is increasing as smartphone data rates increase and handsets incorporate multiband capabilities and become more multifunctional. There is an ongoing move toward modularization, in which multiple components are integrated for such purposes as reducing the area occupied by the RF section or to more efficiently utilize the communication circuit space, and demand for RF and connectivity modules is expected to continue rising in the future.

Power supplies and other modules

Sales expanded further for power supply use in the energy sector, data centers, and servers.

Sales by application

Sales have been growing with a broad range of products that contribute to convenience, enjoyment and safety, and we continue to expand the markets we work in by launching new products.

Communications

The widespread use of LTE smartphones and evolution of carrier aggregation* are driving higher data rates. At the same time, demand is increasing for a wide range of component parts such as small and micro-size high-capacity, high-end capacitors, SAW filters, and high frequency coils, as well as modular components like RF modules for cellular phones and connectivity modules, and functional components like MetroCirc™. Sales volume declined in fiscal 2016 due to the rise of the yen and stagnant sales of communication modules, but in fiscal 2017 we will launch and promote unique, new products to capture demand and expand sales.

Computers and peripherals

Despite somewhat sluggish sales in tablet computers due to smartphone displays getting larger and the depressing effect on sales of the strong yen, the demand for notebook PCs and servers has remained strong.

Automotive electronics

With the increasing use of electronics in vehicles, there has been a concomitant increase in sales of automotive capacitors that feature high reliability, MEMS sensors for electronic stability control (ESC) systems, and the ultrasonic sensors used in driver assistance systems. We also anticipate increased sales of connectivity modules for infotainment in the future. These trends indicate a strong demand for automotive electronic components that is outpacing the growth of actual units sold.

Audio-visual, home and other

There was growth in sales of connectivity modules for digital cameras, but a decline in sales of capacitors and EMI suppression filters for game consoles combined with the effects of the strong yen resulted in sluggish sales overall.

*Carrier aggregation: a service that enables a network operator to combine frequency bands to achieve much higher data rates

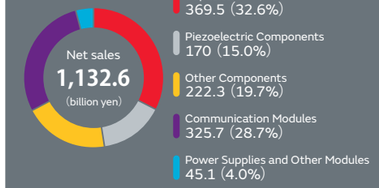
New applications

For automotive, energy, and healthcare markets and the coming IoT society —Murata will more actively propose new value in all of these new markets.

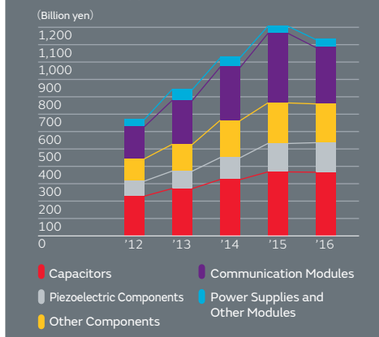
Murata is currently concentrating on:
1. The automotive market, where the demand for electronic components is expanding rapidly due to the advancing use of electronics in vehicles, the diffusion of advanced driver assistance systems, and the expansion of V2X communication technology
2. The energy market, where efforts are being made toward achieving efficient energy utilization and bringing energy savings to society
3. The healthcare market, where growth is expected as a result of an aging population having greater health concerns and electronics and information technologies being further integrated into medical treatments.

From a longer-term perspective, another growth factor will be the widespread adoption of IoT throughout society, where devices and things of all kinds will be connected to the Internet. In these markets, Murata will utilize its cumulative expertise and strength in electronics (sensors, the ability to miniaturize components, and core wireless communications technology) to provide new value by bringing innovative change to these markets. We aim to work harder than ever to bring new and significant enhancements to society.

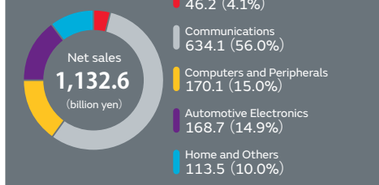
Trend in sales by product



Trend in sales by product



Trend in sales by application



Trend in sales by application