

Consolidated Financial Flash Report (June 30, 2019)

Date: July 31, 2019

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

Stock Exchange Listings:
Tokyo Stock Exchange
Stock Exchange of Singapore

1. Consolidated financial results for the three months ended June 30, 2019

(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	%
Three months ended June 30, 2019	357,556	3.5	62,550	29.9	63,241	26.6	46,825	20.1
Three months ended June 30, 2018	345,508	25.7	48,151	15.2	49,944	17.8	38,984	17.6

Comprehensive income attributable to Murata Corporation: 24,643 million yen for the three months ended June 30, 2019 and 44,205 million yen for the three months ended June 30, 2018.

	Basic earnings attributable to Murata Corporation per share	Diluted earnings attributable to Murata Corporation per share
	Yen	Yen
Three months ended June 30, 2019	73.19	-
Three months ended June 30, 2018	60.93	-

*1 Percentages in the fields of Net sales, Operating income, Income before income taxes, and Net income attributable to Murata Corporation are the growth ratios against the same period of the previous fiscal year.

*2 Murata Manufacturing Co., Ltd. (the "Company") executed a three-for-one common stock split, effective April 1, 2019. Basic earnings attributable to Murata Corporation per share were calculated as if the relevant stock split were executed at the beginning of the previous consolidated fiscal year ended March 31, 2019.

(2) Financial position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
At June 30, 2019	2,096,887	1,598,773	76.3	2,498.98
At March 31, 2019	2,048,893	1,603,976	78.3	2,507.11

* The Company executed a three-for-one common stock split, effective April 1, 2019. Shareholders' equity per share was calculated as if the relevant stock split were executed at the beginning of the previous consolidated fiscal year ended March 31, 2019.

2. Dividends (Year ended March 31, 2019 and the year ending March 31, 2020)

	Cash dividends per share				
	First Quarter	Second Quarter	Third Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2019	-	140.00	-	140.00	280.00
2020	-	-	-	-	-
2020 (Projected)	-	47.00	-	47.00	94.00

*1 No change in the projected dividends during the three months ended June 30, 2019.

*2 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.

3. Projected financial results for the six months ending September 30, 2019 and the year ending March 31, 2020 (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
Six months ending September 30, 2019	765,000	(3.0)	115,500	(17.2)	116,500	(18.4)	89,000	(17.8)	139.11
Year ending March 31, 2020	1,580,000	0.3	220,000	(17.5)	222,000	(17.0)	170,000	(17.8)	265.72

*1 No change in the projected financial results during the three months ended June 30, 2019.

Percentages in the fields of Net sales, Operating income, Income before income taxes and Net income attributable to Murata Corporation for the six months ending September 30, 2019 are the growth ratios against the six months ended September 30, 2018.

Percentages for the year ending March 31, 2020 are the growth ratios against the previous year.

*2 The Company executed a three-for-one common stock split, effective April 1, 2019. Basic earnings attributable to Murata Corporation per share in the projected financial results are calculated based on the number of common shares outstanding after the relevant stock split.

4. Notes

(1) Changes in significant subsidiaries during the three months ended June 30, 2019 (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: Yes

Changes due to reasons other than above: None

Leases

In February 2016, Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2016-02, "Leases". The ASU requires a lessee to recognize most leases in the consolidated balance sheets. However, guidance over expense recognition in the consolidated statements of income under this ASU is similar to the previous guidance. The Companies adopted the ASU from the first quarter beginning April 1, 2019. The Companies applied the package of practical expedients which allows a lessee not to reassess whether any existing contracts at or expired contracts prior to the adoption date are or contain leases, lease classification and whether initial direct costs qualify for capitalization, in addition to short-term lease exception. The Companies also adopted a transition method in which no restatement of comparative periods and no reassessment of land easements not previously accounted for as a lease that exist at or expired prior to the adoption date are required. The right-of-use assets recognized at April 1, 2019 were 34,944 million yen, almost the same as the lease obligations, and are included in noncurrent assets and liabilities in the consolidated balance sheet. The Companies did not have a material impact on their consolidated statements of income and cash flows.

(4) Number of common shares outstanding

Number of shares outstanding including treasury stock: 675,814,281 shares at June 30, 2019 and 675,814,281 shares at March 31, 2019

Number of treasury stock: 36,045,112 shares at June 30, 2019 and 36,044,256 shares at March 31, 2019

Average number of shares outstanding: 639,767,329 shares for the three months ended June 30, 2019 and 639,749,087 shares for the three months ended June 30, 2018

*The Company executed a three-for-one common stock split, effective April 1, 2019. The numbers of common shares and treasury shares were calculated as if the relevant stock split were executed at the beginning of the previous consolidated fiscal year ended March 31, 2019.

*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, 2019 through June 30, 2019)

1. Business Results

In the global economic environment for the period under review, a slowdown in the economy in China caused by the trade friction with the U.S. was increasingly apparent. While employment growth continued in the U.S., economic prospects gradually worsened, and in Europe, political uncertainty coincided with the weakening of the region's economy. The prolonged U.S.-China trade friction is increasingly having an impact on the global economy, causing growing uncertainty about its future.

The electronics market generated strong demand for electronic components used for car electronics thanks to improvement in vehicle environmental friendliness and safety despite sluggish demand for electronic components used in smartphones due partly to the adjustment of electronic equipment production and electronic component inventory.

By focusing on promising markets, Murata Manufacturing Co., Ltd. and subsidiaries (together the "Companies") increased net sales by 3.5% year-on-year to 357,556 million yen in the period under review. The growth was achieved not only by an increase in multilayer ceramic capacitors (MLCCs), Murata's core product group, used for car electronics, but by a substantial rise in multilayer resin substrates used for high-end smartphone models in the module segment and a positive effect of foreign exchange (year-on-year depreciation of 0.83 yen to a U.S. dollar).

Operating income was 62,550 million yen, up 29.9%, income before income taxes was 63,241 million yen, up 26.6 %, and net income was 46,825 million yen, up 20.1% from the three months ended June 30, 2018. Negative factors such as a fall in product prices and a rise in depreciation and amortization were more than offset by an increase in high-end products in the product mix, efforts to reduce costs, foreign exchange effects, and other positive factors.

	Millions of yen					
	Three months ended June 30, 2018		Three months ended June 30, 2019		Change	
		%*		%*		%*
Net sales	345,508	100.0	357,556	100.0	12,048	3.5
Operating income	48,151	13.9	62,550	17.5	14,399	29.9
Income before income taxes	49,944	14.5	63,241	17.7	13,297	26.6
Net income attributable to Murata Corporation	38,984	11.3	46,825	13.1	7,841	20.1
Return on invested capital (ROIC) (pre-tax basis)	14.6	—	16.4	—	1.8	—
Average exchange rate (Yen/U.S. dollar)	109.07	—	109.90	—	0.83	—
Average exchange rate (Yen/EURO)	130.06	—	123.49	—	(6.57)	—

*Component ratio as a percentage of net sales

*ROIC (pre-tax basis) = Operating income / Invested capital (Property, plant and equipment + Inventories

+ Trade accounts receivable - Trade accounts payable)

Sales by Product Category

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

The product categories were reclassified in the period under review. See page 15 for details.

		Millions of yen					
		Three months ended June 30, 2018		Three months ended June 30, 2019		Change	
			%*		%*		%
	Capacitors	126,507	36.7	137,734	38.6	11,227	8.9
	Piezoelectric Components	38,066	11.0	31,426	8.8	(6,640)	(17.4)
	Other Components	93,774	27.2	92,352	25.9	(1,422)	(1.5)
	Components Total	258,347	74.9	261,512	73.3	3,165	1.2
	Modules	86,463	25.1	95,225	26.7	8,762	10.1
	Net sales	344,810	100.0	356,737	100.0	11,927	3.5

*Component ratio as a percentage of net sales

<Components>

Sales of Components for the period under review increased by 1.2% year-on-year to 261,512 million yen.

[Capacitors]

The Capacitors category includes multilayer ceramic capacitors (MLCCs).

For the period under review, sales of MLCCs, the main product in this category, used for car electronics remained strong thanks to progress in vehicle electrification despite a fall in demand for MLCCs used for smartphones.

As a result, overall net sales increased by 8.9% year-on-year to 137,734 million yen.

[Piezoelectric Components]

The Piezoelectric Components category includes surface acoustic wave (SAW) filters, ceramic resonators and piezoelectric sensors.

For the period under review, SAW filters suffered reduced sales due to the sales downturn and continued price reductions in products for smartphones.

As a result, overall net sales decreased by 17.4% year-on-year to 31,426 million yen.

[Other Components]

Other Components include lithium ion batteries, inductors (coils), electromagnetic interference (EMI) suppression filters, sensors, connectors and thermistors.

For the period under review, sales of lithium-ion secondary batteries used for power tools were sluggish despite growth in those for tablet PCs, and sales of connectors and thermistors for smartphones also remained weak.

As a result, overall net sales decreased by 1.5% year-on-year to 92,352 million yen.

<Modules>

Sales of Modules for the period under review increased by 10.1% year-on-year to 95,225 million yen.

The Modules category includes short-range wireless communication modules, multilayer resin substrates, circuit modules, radio frequency (RF) sub modules, power supplies modules and multilayer ceramic devices.

For the period under review, sales in multilayer resin substrates for high-end smartphone models grew substantially, and sales in RF sub modules also increased.

2. Financial Position

Total assets at June 30, 2019 increased by 47,994 million yen from the end of the previous fiscal year to 2,096,887 million yen. The ratio of shareholders' equity to total assets decreased by 2.0 percentage points from the end of the previous fiscal year to 76.3% at June 30, 2019.

Compared with the same period of the previous 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 49,800 million yen. Negative factors — a 24,086 million yen decrease in income taxes payable and a 11,306 million yen fall in accrued payroll and bonuses — were more than offset by a net income of 46,837 million yen and depreciation and amortization of 33,606 million yen.

Net cash provided by operating activities decreased by 5,843 million yen from the three months ended June 30, 2018.

<Net Cash Used in Investing Activities>

For the period under review, net cash used in investing activities was 61,375 million yen. While cash inflows included maturities and sales of marketable securities of 5,000 million, there were cash outflows due to 52,910 million yen in capital expenditures and a 12,139 million yen increase in short-term investment.

Net cash used in investing activities increased by 10,598 million yen from the three months ended June 30, 2018.

<Net Cash Provided by Financing Activities>

For the period under review, net cash provided by financing activities was 26,263 million yen. While cash outflows included dividend payments of 29,856 million, there were cash inflows due to a 56,000 million yen increase in short-term borrowings.

Net cash provided by financing activities decreased by 41,501 million yen from the three months ended June 30, 2018.

3. Projected Results for the Year Ending March 31, 2020

The Companies have not revised their projected results for the year ending March 31, 2020, which were announced on April 26, 2019.

[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, 2019 and June 30, 2019

	Millions of Yen			
	At March 31, 2019		At June 30, 2019	
Assets	2,048,893	% 100.0	2,096,887	% 100.0
Current assets	933,941	45.6	953,077	45.5
Cash	181,956		205,022	
Short-term investments	69,781		73,631	
Marketable securities	27,364		26,591	
Trade notes receivable	4,053		4,565	
Trade accounts receivable	271,566		258,347	
Allowance for doubtful notes and accounts	(1,510)		(1,380)	
Inventories	349,315		348,463	
Prepaid expenses and other	31,416		37,838	
Property, plant and equipment	856,453	41.8	899,602	42.9
Land	68,133		68,261	
Buildings	536,781		545,217	
Machinery and equipment, tools, dies, furniture and fixtures, and autos and trucks	1,250,288		1,277,464	
Construction in progress	109,057		106,398	
Accumulated depreciation	(1,107,806)		(1,128,688)	
Operating lease right-of-use assets	-		30,950	
Investments and other assets	258,499	12.6	244,208	11.6
Investments	66,697		62,157	
Intangible assets	47,526		44,304	
Goodwill	78,389		76,766	
Deferred income taxes	42,065		37,682	
Other	23,822		23,299	
Total assets	2,048,893	100.0	2,096,887	100.0

Consolidated Balance Sheets (Liabilities and Equity)

At March 31, 2019 and June 30, 2019

	Millions of Yen			
	At March 31, 2019		At June 30, 2019	
Liabilities	444,353	21.7	497,342	23.7
Current liabilities	259,771	12.7	287,063	13.7
Short-term borrowings	23,007		79,007	
Trade accounts payable	75,491		74,639	
Accrued payroll and bonuses	43,485		31,925	
Income taxes payable	38,315		13,946	
Accrued expenses and other	79,473		81,248	
Current operating lease liabilities	-		6,298	
Long-term liabilities	184,582	9.0	210,279	10.0
Bonds	99,813		99,825	
Long-term debt	594		605	
Termination and retirement benefits	75,789		76,304	
Deferred income taxes	6,673		6,470	
Noncurrent operating lease liabilities	-		24,653	
Other	1,713		2,422	
Equity	1,604,540	78.3	1,599,545	76.3
Murata Corporation's Shareholders' equity	1,603,976	78.3	1,598,773	76.3
Common stock	69,444		69,444	
Capital surplus	120,702		120,717	
Retained earnings	1,493,697		1,510,666	
Accumulated other comprehensive income (loss):	(26,273)		(48,455)	
Unrealized gains (losses) on securities	46		66	
Pension liability adjustments	(21,574)		(21,428)	
Foreign currency translation adjustments	(4,745)		(27,093)	
Treasury stock, at cost	(53,594)		(53,599)	
Noncontrolling interests	564	0.0	772	0.0
Total liabilities and equity	2,048,893	100.0	2,096,887	100.0

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

Consolidated Statements of Income

Three months ended June 30, 2018 and 2019

	Millions of Yen			
	Three months ended June 30, 2018		Three months ended June 30, 2019	
		%		%
Net sales	345,508	100.0	357,556	100.0
Cost of sales	222,284	64.4	219,821	61.5
Selling, general and administrative	49,082	14.2	50,201	14.0
Research and development	25,991	7.5	26,077	7.3
Other operating income	-	-	1,093	0.3
Operating income	48,151	13.9	62,550	17.5
Interest and dividend income	881	0.3	899	0.3
Interest expense	(45)	(0.0)	(66)	(0.0)
Foreign currency exchange gain (loss)	1,596	0.5	(963)	(0.3)
Other - net	(639)	(0.2)	821	0.2
Income before income taxes	49,944	14.5	63,241	17.7
Income taxes	10,954	3.2	16,404	4.6
<Current income tax>	<8,185>		<11,452>	
<Deferred income tax>	<2,769>		<4,952>	
Net income	38,990	11.3	46,837	13.1
Less: Net income (loss) attributable to noncontrolling interests	6	0.0	12	0.0
Net income attributable to Murata Corporation	38,984	11.3	46,825	13.1

Consolidated Statements of Comprehensive Income

Three months ended June 30, 2018 and 2019

	Millions of Yen	
	Three months ended June 30, 2018	Three months ended June 30, 2019
Net income	38,990	46,837
Other comprehensive income (loss), net of tax:		
Unrealized gains (losses) on securities	181	20
Pension liability adjustments	638	146
Foreign currency translation adjustments	4,395	(22,388)
Other comprehensive income (loss)	5,214	(22,222)
Comprehensive income	44,204	24,615
Less: Comprehensive income (loss) attributable to noncontrolling interests	(1)	(28)
Comprehensive income attributable to Murata Corporation	44,205	24,643

(3) Consolidated Statements of Cash Flows

Three months ended June 30, 2018 and 2019

	Millions of Yen			
	Three months ended June 30, 2018		Three months ended June 30, 2019	
Operating activities:				
Net income		38,990		46,837
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	26,903		33,606	
(Gains) losses on sales and disposals of property, plant and equipment	360		379	
Provision for termination and retirement benefits, less payments	(1,963)		336	
Deferred income taxes	2,769		4,952	
Changes in assets and liabilities:				
(Increase) decrease in trade notes and accounts receivable	5,693		4,897	
(Increase) decrease in inventories	(19,469)		(3,934)	
(Increase) decrease in prepaid expenses and other	5,895		(6,735)	
Increase (decrease) in trade notes and accounts payable	8,984		(148)	
Increase (decrease) in accrued payroll and bonuses	(7,775)		(11,306)	
Increase (decrease) in income taxes payable	(14,353)		(24,086)	
Increase (decrease) in accrued expenses and other	7,778		2,743	
Other-net	1,831	16,653	2,259	2,963
Net cash provided by operating activities		55,643		49,800
Investing activities:				
Capital expenditures		(77,686)		(52,910)
Payment for purchases of marketable securities, investments and other		(3,448)		(2,083)
Maturities and sales of marketable securities, investments and other		2,174		5,000
(Increase) decrease in short-term investments		6,581		(12,139)
Other-net		406		757
Net cash used in investing activities		(71,973)		(61,375)
Financing activities:				
Net increase (decrease) in short-term borrowings		95,500		56,000
Proceeds from long-term debt		18		18
Repayment of long-term debt		(13)		-
Dividends paid		(27,723)		(29,856)
Other-net		(18)		101
Net cash provided by financing activities		67,764		26,263
Effect of exchange rate changes on cash and cash equivalents		1,213		773
Net increase (decrease) in cash and cash equivalents		52,647		15,461
Cash and cash equivalents at beginning of period		187,910		217,805
Cash and cash equivalents at end of period		240,557		233,266
Additional cash and cash equivalents information:				
Cash		188,410		205,022
Short-term investments		57,688		73,631
Short-term investments with original maturities over 3 months		(5,541)		(45,387)
Cash and cash equivalents at end of period		240,557		233,266

(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.

Three months ended June 30, 2018 and 2019

		Millions of Yen			
		Three months ended June 30, 2018		Three months ended June 30, 2019	
Components	Sales to:		%		%
	Unaffiliated customers	258,347		261,512	
	Intersegment	10,260		10,235	
	Total revenue	268,607	100.0	271,747	100.0
	Segment income	62,566	23.3	67,518	24.8
Modules	Sales to:		%		%
	Unaffiliated customers	86,463		95,225	
	Intersegment	2		5	
	Total revenue	86,465	100.0	95,230	100.0
	Segment income (loss)	(485)	(0.6)	7,880	8.3
Others	Sales to:		%		%
	Unaffiliated customers	698		819	
	Intersegment	23,690		16,117	
	Total revenue	24,388	100.0	16,936	100.0
	Segment income	2,886	11.8	1,477	8.7
Corporate and eliminations	Sales to:		%		%
	Unaffiliated customers	-		-	
	Intersegment	(33,952)		(26,357)	
	Total revenue	(33,952)	-	(26,357)	-
	Corporate expenses	(16,816)	-	(14,325)	-
Consolidated	Sales to:		%		%
	Unaffiliated customers	345,508		357,556	
	Intersegment	-		-	
	Total revenue	345,508	100.0	357,556	100.0
	Operating income	48,151	13.9	62,550	17.5

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

(1) Components: Capacitors, 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 expenses of headquarters functions and fundamental research.

(6) Significant changes in shareholders' equity

None

(7) Other

July 31, 2019
Murata Manufacturing Co., Ltd.
Listing Code: 6981
(URL <http://www.murata.com/>)

Flash Report (Three months ended June 30, 2019)

Selected Financial Data - Consolidated basis

Three months ended June 30, 2018 and 2019/at June 30, 2018 and 2019

		Consolidated Basis		
		2018	2019	Growth ratio
Net sales	Millions of yen	345,508	357,556	3.5
Operating income	<*>2 Millions of yen	<13.9> 48,151	<17.5> 62,550	29.9
Income before income taxes	<*>2 Millions of yen	<14.5> 49,944	<17.7> 63,241	26.6
Net income attributable to Murata Corporation	<*>2 Millions of yen	<11.3> 38,984	<13.1> 46,825	20.1
Total assets	Millions of yen	1,900,481	2,096,887	10.3
Shareholders' equity	Millions of yen	1,473,396	1,598,773	8.5
Shareholders' equity ratio	%	77.6	76.3	-
Basic earnings attributable to Murata Corporation per share	*5 Yen	60.93	73.19	20.1
Diluted earnings attributable to Murata Corporation per share	*3 Yen	-	-	-
Shareholders' equity per share	*5 Yen	2,303.08	2,498.98	-
Return on invested capital (ROIC) (pre-tax basis)	*6 %	14.6	16.4	-
Capital expenditures	Millions of yen	77,686	52,910	(31.9)
Depreciation and amortization	<*>2 Millions of yen	<7.8> 26,903	<9.4> 33,606	24.9
Research and development expenses	<*>2 Millions of yen	<7.5> 25,991	<7.3> 26,077	0.3
Number of employees	*4	<48,457> 78,121	<45,366> 76,819	(1.7)
Average exchange rates				
Yen/US dollar	Yen	109.07	109.90	-
Yen/Euro	Yen	130.06	123.49	-

*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.

*5 The Company executed a three-for-one common stock split, effective April 1, 2019. Basic earnings attributable to Murata Corporation per share and shareholders' equity per share were calculated as if the relevant stock split had been implemented at the beginning of the consolidated fiscal year ended March 31, 2019.

*6 ROIC (pre-tax basis) = Operating income / Invested capital (Property, plant and equipment + Inventories + Trade accounts receivable - Trade accounts payable)

Orders, Backlogs and Sales

The classification of products was changed from the first quarter beginning April 1, 2019. "Communication Modules" and "Power supplies and Other modules" were reclassified into "Modules". The figures for the previous period have been reclassified for comparison.

(1) Orders and Backlogs by Product

<Orders>

Three months ended June 30, 2018 and 2019

	Millions of Yen					
	Three months ended June 30, 2018		Three months ended June 30, 2019		Change	
		%*1		%*1		%
Capacitors	167,021	40.7	110,322	32.5	(56,699)	(33.9)
Piezoelectric Components	40,445	9.9	29,513	8.7	(10,932)	(27.0)
Other Components	110,328	26.9	97,438	28.8	(12,890)	(11.7)
Components Total	317,794	77.5	237,273	70.0	(80,521)	(25.3)
Modules	92,293	22.5	101,829	30.0	9,536	10.3
Total	410,087	100.0	339,102	100.0	(70,985)	(17.3)

*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, 2019		At June 30, 2019		Change	
		%*1		%*1		%
Capacitors	130,272	49.4	102,860	41.8	(27,412)	(21.0)
Piezoelectric Components	17,558	6.7	15,645	6.4	(1,913)	(10.9)
Other Components	61,379	23.3	66,465	27.0	5,086	8.3
Components Total	209,209	79.4	184,970	75.2	(24,239)	(11.6)
Modules	54,238	20.6	60,842	24.8	6,604	12.2
Total	263,447	100.0	245,812	100.0	(17,635)	(6.7)

*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

Three months ended June 30, 2018 and 2019

	Millions of Yen					
	Three months ended June 30, 2018		Three months ended June 30, 2019		Change	
		%*1		%*1		%
Capacitors	126,507	36.7	137,734	38.6	11,227	8.9
Piezoelectric Components	38,066	11.0	31,426	8.8	(6,640)	(17.4)
Other Components	93,774	27.2	92,352	25.9	(1,422)	(1.5)
Components Total	258,347	74.9	261,512	73.3	3,165	1.2
Modules	86,463	25.1	95,225	26.7	8,762	10.1
Net sales	344,810	100.0	356,737	100.0	11,927	3.5

*1 Component ratio

*2 Exclusive of consumption taxes

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

Three months ended June 30, 2018 and 2019

	Millions of Yen					
	Three months ended June 30, 2018		Three months ended June 30, 2019		Change	
		%*1		%*1		%
AV	17,292	5.0	16,861	4.7	(431)	(2.5)
Communications	157,387	45.6	163,878	46.0	6,491	4.1
Computers and Peripherals	56,424	16.4	58,550	16.4	2,126	3.8
Automotive Electronics	59,621	17.3	66,806	18.7	7,185	12.1
Home and Others	54,086	15.7	50,642	14.2	(3,444)	(6.4)
Net sales	344,810	100.0	356,737	100.0	11,927	3.5

*1 Component ratio

*2 Exclusive of consumption taxes

3. Sales by Area

Three months ended June 30, 2018 and 2019

	Millions of Yen					
	Three months ended June 30, 2018		Three months ended June 30, 2019		Change	
		%*1		%*1		%
The Americas	38,872	11.3	47,176	13.2	8,304	21.4
Europe	32,854	9.5	36,127	10.1	3,273	10.0
Greater China	180,984	52.5	172,714	48.4	(8,270)	(4.6)
Asia and Others	60,348	17.5	62,952	17.7	2,604	4.3
Overseas total	313,058	90.8	318,969	89.4	5,911	1.9
Japan	31,752	9.2	37,768	10.6	6,016	18.9
Net sales	344,810	100.0	356,737	100.0	11,927	3.5

*1 Component ratio

*2 Exclusive of consumption taxes

Quarterly Consolidated Performance

(1) Consolidated Financial Results

	Millions of yen							
	Three months ended June 30, 2018		Three months ended September 30, 2018		Three months ended December 31, 2018		Three months ended March 31, 2019	
		% *1		% *1		% *1		% *1
Net sales	345,508	100.0	442,886	100.0	427,614	100.0	359,018	100.0
Operating income	48,151	13.9	91,288	20.6	85,628	20.0	41,740	11.6
Income before income taxes	49,944	14.5	92,827	21.0	79,691	18.6	44,854	12.5
Net income attributable to Murata Corporation	38,984	11.3	69,319	15.7	60,108	14.1	38,519	10.7

	Millions of yen	
	Three months ended June 30, 2019	
		% *1
Net sales	357,556	100.0
Operating income	62,550	17.5
Income before income taxes	63,241	17.7
Net income attributable to Murata Corporation	46,825	13.1

*1 Ratio to net sales

(2) Sales by Product Category

	Millions of yen							
	Three months ended June 30, 2018		Three months ended September 30, 2018		Three months ended December 31, 2018		Three months ended March 31, 2019	
		% *1		% *1		% *1		% *1
Capacitors	126,507	36.7	147,163	33.3	158,300	37.1	142,260	39.7
Piezoelectric Components	38,066	11.0	38,486	8.7	32,054	7.5	29,980	8.4
Other Components	93,774	27.2	108,277	24.5	99,228	23.3	90,915	25.4
Components Total	258,347	74.9	293,926	66.5	289,582	67.9	263,155	73.5
Modules	86,463	25.1	148,178	33.5	137,061	32.1	94,997	26.5
Net sales	344,810	100.0	442,104	100.0	426,643	100.0	358,152	100.0

	Millions of yen	
	Three months ended June 30, 2019	
		% *1
Capacitors	137,734	38.6
Piezoelectric Components	31,426	8.8
Other Components	92,352	25.9
Components Total	261,512	73.3
Modules	95,225	26.7
Net sales	356,737	100.0

*1 Component ratio

*2 Exclusive of consumption taxes

*3 "Communication Modules" and "Power supplies and Other modules" were reclassified into "Modules" from the first quarter beginning April 1, 2019. The figures for the previous period have been reclassified for comparison.